

### Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name ANTRIM COUNTY	County ANTRIM
Fiscal Year End 12/31/06	Opinion Date 6/12/07	Date Audit Report Submitted to State 06/26/07	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☐ ☒ The local unit is free of repeated comments from previous years.
  - ☒ ☐ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☐ ☒ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) THOMAS R ZICK CPA, P.C.		Telephone Number 989-786-4032	
Street Address P.O. BOX 149		City LEWISTON	State MI
Authorizing CPA Signature 		Printed Name THOMAS R. ZICK	Zip 49756
		License Number 1101007478	

**ANTRIM COUNTY  
BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

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**Thomas R. Zick CPA, P.C.**  
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## INDEPENDENT AUDITOR'S REPORT

June 12, 2007

Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Antrim, Michigan management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Meadow Brook Medical Care Facility, which represent 16.8 percent, 16.7 percent, and 31.8 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for our opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 12, 2007 on my consideration of Antrim County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it. Management of the Meadow Brook Medical Care Facility did not present management's discussion and analysis in their report, and their auditors indicated that the Governmental Accounting Standards Board determined the analysis is necessary to supplement, although not required to be a part of the basic financial statements, when issuing their report.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Antrim, Michigan basic financial statements. The introductory section, and combining non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA P.C.", written in a cursive style.

THOMAS R. ZICK CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANT

# **ANTRIM COUNTY, MICHIGAN**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Antrim County, we offer readers of the Antrim County financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### **Financial Highlights**

The assets of Antrim County exceed its liabilities at the close of fiscal year, 2006 by \$44,636,645. Of this amount \$18,595,122 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- \* At December 31, 2006, the County's governmental funds reported combined ending fund balances of \$12,754,845.
- \* At December 31, 2006, unreserved fund balance for the General Fund was \$2,449,530 or 25.5% of General Fund expenditures.
- \* Governmental funds revenues were \$18,170,505.
- \* The County has lease/purchase debt in the governmental funds and bonds in the Hydro Electric Enterprise Fund.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows: Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods (e.g. accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, and recreation and culture. The business-type activities of the County include delinquent property tax collection, medical care facility, transportation, and hydroelectric utility.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate component unit for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 9-11 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FUND FINANCIAL STATEMENTS.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*GOVERNMENTAL FUNDS.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 62 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, considered to be the major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets for the County's major fund.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

*Proprietary Funds.* The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent taxes, transportation and hydroelectric funds.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 20 of this report.

**NOTES TO THE FINANCIAL STATEMENTS.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-41 of this report.

**OTHER INFORMATION.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statement. Combining statements and schedules can be found on pages 50-73 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$44,636,645 at the close of the most recent fiscal year. A large portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At December 31, 2006 the County had \$189,750 debt associated with its governmental fund capital assets.

#### ANTRIM COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	\$ 16,138,514	\$ 15,384,918	\$ 15,098,170	\$ 12,351,097	\$ 31,236,684	\$ 27,736,015
Capital Assets	<u>15,394,204</u>	<u>13,953,340</u>	<u>2,672,296</u>	<u>2,890,988</u>	<u>18,066,500</u>	<u>16,844,328</u>
Total Assets	<u>31,532,718</u>	<u>29,338,258</u>	<u>17,770,466</u>	<u>15,242,085</u>	<u>49,303,184</u>	<u>44,580,343</u>
Long-Term Liabilities	140,190	-	165,000	190,000	305,190	190,000
Other Liabilities	<u>3,433,229</u>	<u>5,937,342</u>	<u>928,120</u>	<u>761,915</u>	<u>4,361,349</u>	<u>6,699,257</u>
Total Liabilities	<u>3,573,419</u>	<u>5,937,342</u>	<u>1,093,120</u>	<u>951,915</u>	<u>4,666,539</u>	<u>6,889,257</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	15,204,454	13,953,340	2,482,296	2,670,988	17,686,750	16,624,328
Restricted	7,211,206	1,471,284	1,143,567	913,713	8,354,773	2,384,997
Unrestricted	<u>5,543,639</u>	<u>7,976,292</u>	<u>13,051,483</u>	<u>10,705,469</u>	<u>18,595,122</u>	<u>18,681,761</u>
Total Net Assets	<u>\$ 27,959,299</u>	<u>\$ 23,400,916</u>	<u>\$ 16,677,346</u>	<u>\$ 14,290,170</u>	<u>\$ 44,636,645</u>	<u>\$ 37,691,086</u>

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets, net of related debt, is 39.6% of total net assets. An additional portion of the County's net assets (18.7%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets are those net assets that have constraints placed on them by either: a)externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b)imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation. All such assets (except for assets invested in capital assets, net of related debt) are considered restricted or unrestricted. The unrestricted portion of the County's net assets is 41.7% of net assets. These net assets may be used to meet the government's ongoing obligations to citizens and creditors.



# MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

## ANTRIM COUNTY CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue						
Program Revenue						
Charges for Services	\$ 3,194,899	\$ 3,038,920	\$ 11,473,084	\$ 9,594,438	\$ 14,667,983	\$ 12,633,358
Operating Grants and Contributions	1,832,801	1,694,929	384,856	401,384	2,217,657	2,096,313
Capital Grants	948,848	497,960	88,509	28,094	1,037,357	526,054
General Revenue						
Property Taxes	11,267,816	9,996,510	1,097,162	1,035,975	12,364,978	11,032,485
Other	926,141	761,319	444,707	(106,275)	1,370,848	655,044
Total Revenue	<u>18,170,505</u>	<u>15,989,638</u>	<u>13,488,318</u>	<u>10,953,616</u>	<u>31,658,823</u>	<u>26,943,254</u>
Expenses						
Legislative	143,551	148,757	-	-	143,551	148,757
Judicial	1,698,393	1,706,886	-	-	1,698,393	1,706,886
General Government	3,715,936	3,947,010	-	-	3,715,936	3,947,010
Public Safety	4,871,364	4,759,077	-	-	4,871,364	4,759,077
Public Works	973	1,239	-	-	973	1,239
Health and Welfare	2,422,521	2,429,098	-	-	2,422,521	2,429,098
Community/Economic Development	323,782					
Recreation and Culture	339,602	310,017	-	-	339,602	310,017
Interest on Debt	-	-	-	-	-	-
Delinquent Property Tax	-	-	106,825	127,898	106,825	127,898
Medical Care Facility	-	-	10,072,054	9,021,617	10,072,054	9,021,617
Other	-	-	1,018,263	1,029,244	1,018,263	1,029,244
Total Liabilities	<u>13,516,122</u>	<u>13,302,084</u>	<u>11,197,142</u>	<u>10,178,759</u>	<u>24,713,264</u>	<u>23,480,843</u>
Increase in Net Assets Before Transfer	4,654,383	2,687,554	2,291,176	774,857	6,945,559	3,462,411
Transfer	(96,000)	(62,000)	96,000	62,000	-	-
Increase in Net Assets	4,558,383	2,625,554	2,387,176	836,857	6,945,559	3,462,411
Net Assets - Beginning of Year						
- as restated	<u>23,400,916</u>	<u>20,775,362</u>	<u>14,290,170</u>	<u>13,453,313</u>	<u>37,691,086</u>	<u>34,228,675</u>
Net Assets - End of Year	<u>\$ 27,959,299</u>	<u>\$ 23,400,916</u>	<u>\$ 16,677,346</u>	<u>\$ 14,290,170</u>	<u>\$ 44,636,645</u>	<u>\$ 37,691,086</u>

### **GOVERNMENTAL ACTIVITIES**

Governmental activities increased the County's net assets by \$4,558,383 accounting for 65.6% of the total growth in the County's net assets. The main reasons for the change in fund balances and the change in net assets are capital outlays in the current year which are expensed under the modified accrual method are carried as fixed assets under full accrual. In addition, the new fund, Revenue Sharing Reserve set up by the State of Michigan generated \$1,914,198 in additional net assets.

Government activities include:

- \* Legislative activities – Expenditures related to the Board of Commissioners and high-level administrative expenditures.
- \* Judicial activities– Expenditures related to the administration of Circuit, District, and Probate/Family Courts and Court Probation units.
- \* General government activities – Expenditures related to the support department of the County such as Administration, Equalization, Treasury, Airport, Facilities Management, Finance, and Other.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- \* Public Safety – Expenditures related to the Sheriff's administration and road patrol and County corrections services.
- \* Health and Welfare – Expenditures related to public health services, child care, medical examiner, programs for seniors, and housing assistance programs.
- \* Community/Economic Development – Expenditures related to county planner/coordinator and economic development.
- \* Parks and Recreation – Expenditures related to County parks.

### **BUSINESS-TYPE ACTIVITIES**

The business-type activities of the County include proprietary operations.

Business-type activities increased the County's net assets after transfers by \$2,387,176 or 34.4% of the growth in net assets. The increase in the business-type activities' net assets was generated through interest and penalties on delinquent property taxes and interest earned on deposits in the Delinquent Tax Revolving Fund. The Medical Care Facility also showed an increase in net assets as a result of a tax levy and an operating profit. The Transportation Fund showed a decrease in net assets for the year.

Business-type activities include:

- \* Delinquent tax revolving fund – This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes.
- \* Medical Care Facility – This fund was established to provide funds for care and maintenance of the medical care facility.
- \* Transportation Fund – This fund was established to provide funds for operation and maintenance of the transportation facilities.
- \* Elk Rapids Hydroelectric Fund – This fund was established to provide funds for operation and maintenance of the hydroelectric facility.

### **Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the County governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unreserved fund balance represented 41.0% of annual governmental expenditures in 2006 in the governmental funds.

The General fund balance increased by \$603,406 from \$1,846,124 to \$2,449,530 during 2006 due to growth of general fund revenue by 14.4% while expenditures grew by 6.5%. Expenditure growth was highest in general government and public safety. Unreserved fund balance of \$2,449,530 is available for spending at the County's discretion.

Proprietary funds - The County proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

	UNRESTRICTED NET ASSETS	
	<u>2006</u>	<u>2005</u>
<u>Proprietary Fund</u>		
Enterprise Funds		
100% Tax Payment fund	\$ 7,689,528	\$ 6,967,490
Medical Care Facility	\$ 4,946,972	\$ 3,373,453
Transportation Fund	\$ 141,514	\$ 133,233
Elk Rapids Hydro Electric	\$ 273,469	\$ 231,293

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **General Fund Budgetary Highlights**

Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

Amended budgetary expenditures and revenues differed from the originally adopted with the following being some of the more significant amendments:

#### **Revenues:**

District Court costs were increased by	\$ 110,000
Abstract Services were increased by	\$ 26,700
Register of Deeds transfer tax was decreased by	\$ 67,900

#### **Expenses:**

Computer was increased by	\$ 113,231
Public Safety was increased by	\$ 67,678
Airport was increased by	\$ 35,223
Operating transfer to other funds was increased by	\$ 245,428

### **Capital Asset and Debt Administration**

Capital Assets – A capital asset is an asset whose cost exceeds \$2,500 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives. A schedule of capital assets is shown on pages 30-32 of the accompanying report.

The County currently has lease/purchase debt in the amount of \$189,750 and general obligation revenue bonds in the hydroelectric fund totaling \$190,000. The lease/purchase debt was incurred to purchase sheriff vehicles and will be paid over the next four years.

### **Economic Factors and Next Year's Budgets and Rates**

The taxable value of commercial, residential, and personal property increased 6.86% from 2006 to 2007. This growth is expected to continue but possibly at a slower rate.

In a climate where other counties are seeing their revenues shrink, Antrim County has enjoyed slow but steady economic growth during the last three years, despite the broader economic climate. We attribute much of our county's growth to the increase in development of the recreational assets of the county such as parks, golf courses, and resorts. The County anticipates slow economic growth to continue throughout 2007.

### **Requests for Information**

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be referred to the Antrim County Clerk, P.O. Box 520, Bellaire, MI 49615.

ANTRIM COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
<b>ASSETS</b>				
Cash demand and time deposits	\$ 8,033,828	\$ 3,208,504	\$ 11,242,332	\$ 333,119
Investments	2,196,271	8,253,388	10,449,659	91,910
Receivables				
Accounts	90,529	849,297	939,826	12,334
Current tax	3,872,198	1,110,321	4,982,519	-
Delinquent tax	-	1,233,149	1,233,149	-
Interest and penalties	-	301,725	301,725	-
Other governments	176,366	6,002	182,368	571,504
Mortgages	1,769,322	-	1,769,322	-
Prepaid items and other assets	-	116,703	116,703	35,422
Inventory	-	19,081	19,081	493,481
Capital assets				
Land	7,618,080	5,541	7,623,621	-
Other capital assets, net of depreciation	<u>7,776,124</u>	<u>2,666,755</u>	<u>10,442,879</u>	<u>25,506,308</u>
<b>TOTAL ASSETS</b>	<u>31,532,718</u>	<u>17,770,466</u>	<u>49,303,184</u>	<u>27,044,078</u>
<b>LIABILITIES</b>				
Account payable	334,479	352,767	687,246	89,549
Accrued liabilities	193,962	550,353	744,315	22,824
Due to other governments	3,799	-	3,799	-
Advance from other governments	-	-	-	164,998
Deferred revenue	2,851,429	-	2,851,429	-
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	212,907
Due within one year	49,560	25,000	74,560	205,000
Due in more than one year	<u>140,190</u>	<u>165,000</u>	<u>305,190</u>	<u>210,000</u>
<b>TOTAL LIABILITIES</b>	<u>3,573,419</u>	<u>1,093,120</u>	<u>4,666,539</u>	<u>905,278</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	15,204,454	2,482,296	17,686,750	25,091,308
Restricted for:				
Revenue Sharing Reserve	6,001,346		6,001,346	-
Debt Service	10,455	-	10,455	-
Capital Projects	266,646	-	266,646	-
Central Dispatch/911	754,510	-	754,510	-
Medical Care Restricted Donations	-	423,084	423,084	-
Register of Deeds Automation	75,557	-	75,557	-
Construction Code Enforcement	79,346	-	79,346	-
Other	23,346	720,483	743,829	-
County Roads	-	-	-	1,047,492
Unrestricted	<u>5,543,639</u>	<u>13,051,483</u>	<u>18,595,122</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 27,959,299</u>	<u>\$ 16,677,346</u>	<u>\$ 44,636,645</u>	<u>\$ 26,138,800</u>

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental Activities					
Legislative	\$ 143,551	\$ -	\$ -	\$ -	\$ (143,551)
Judicial	1,698,393	537,449	326,301	-	(834,643)
General Government	3,715,936	1,057,731	464,040	749,444	(1,444,721)
Public Safety	4,871,364	1,253,788	363,046	-	(3,254,530)
Public Works	973	-	-	-	(973)
Health and Welfare	2,422,521	237,552	678,110	-	(1,506,859)
Community/Economic Development	323,782	-	-	-	(323,782)
Recreation and Culture	<u>339,602</u>	<u>108,379</u>	<u>1,304</u>	<u>199,404</u>	<u>(30,515)</u>
Total Governmental Activities	<u>13,516,122</u>	<u>3,194,899</u>	<u>1,832,801</u>	<u>948,848</u>	<u>(7,539,574)</u>
Business-type Activities					
Delinquent Property Tax	106,825	773,486	-	-	666,661
Medical Care Facility	10,072,054	10,262,542	9,552	-	200,040
Other	<u>1,018,263</u>	<u>437,056</u>	<u>375,304</u>	<u>88,509</u>	<u>(117,394)</u>
Total Business-type Activities	<u>11,197,142</u>	<u>11,473,084</u>	<u>384,856</u>	<u>88,509</u>	<u>749,307</u>
Total Primary Government	<u>\$ 24,713,264</u>	<u>\$ 14,667,983</u>	<u>\$ 2,217,657</u>	<u>\$ 1,037,357</u>	<u>\$ (6,790,267)</u>
<b>Component Unit</b>					
Road Commission	<u>\$ 4,400,281</u>	<u>\$ 622,951</u>	<u>\$ 4,582,788</u>	<u>\$ 1,356,855</u>	<u>\$ 2,162,313</u>
Total Component Units	<u>\$ 4,400,281</u>	<u>\$ 622,951</u>	<u>\$ 4,582,788</u>	<u>\$ 1,356,855</u>	<u>\$ 2,162,313</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF ACTIVITIES (Concluded)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (7,539,574)	\$ 749,307	\$ (6,790,267)	\$ 2,162,313
General revenues:				
Property taxes	11,267,816	1,097,162	12,364,978	-
Convention tax	135,945	-	135,945	-
Unrestricted investment earnings	480,569	444,707	925,276	28,004
Rents	309,627	-	309,627	-
Transfers - internal activities	(96,000)	96,000	-	-
Total general revenues, contributions and transfers	<u>12,097,957</u>	<u>1,637,869</u>	<u>13,735,826</u>	<u>28,004</u>
Change in net assets	4,558,383	2,387,176	6,945,559	2,190,317
Net assets, beginning of year	<u>23,400,916</u>	<u>14,290,170</u>	<u>37,691,086</u>	<u>23,948,483</u>
<b>Net assets, end of year</b>	<u>\$ 27,959,299</u>	<u>\$ 16,677,346</u>	<u>\$ 44,636,645</u>	<u>\$ 26,138,800</u>

See Notes to Financial Statements

ANTRIM COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	MAJOR FUNDS			
	GENERAL FUND	REVENUE SHARING RESERVE	OTHER FUNDS	TOTAL
ASSETS				
Cash	\$ 168,717	\$ 3,692,724	\$ 4,172,387	\$ 8,033,828
Investments	2,000,000	-	196,271	2,196,271
Receivables				
Taxes	951,120	2,308,622	612,456	3,872,198
Accounts	45,452	-	45,077	90,529
Mortgages	-	-	1,769,322	1,769,322
Due From Other Funds	-	-	4,751	4,751
Due From Other Governmental Units	99,097	-	77,269	176,366
	<u>99,097</u>	<u>-</u>	<u>77,269</u>	<u>176,366</u>
 TOTAL ASSETS	 <u>\$ 3,264,386</u>	 <u>\$ 6,001,346</u>	 <u>\$ 6,877,533</u>	 <u>\$ 16,143,265</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 220,451	\$ -	\$ 114,028	\$ 334,479
Accrued Liabilities	124,754	-	69,208	193,962
Due to Other Funds	-	-	4,751	4,751
Due to Other Governmental Units	-	-	3,799	3,799
Deferred Revenue	469,651	-	2,381,778	2,851,429
	<u>469,651</u>	<u>-</u>	<u>2,381,778</u>	<u>2,851,429</u>
 TOTAL LIABILITIES	 <u>814,856</u>	 <u>-</u>	 <u>2,573,564</u>	 <u>3,388,420</u>
FUND BALANCES				
Reserved	-	6,001,346	1,209,860	7,211,206
Unreserved	2,449,530	-	3,094,109	5,543,639
	<u>2,449,530</u>	<u>-</u>	<u>3,094,109</u>	<u>5,543,639</u>
 TOTAL FUND BALANCES	 <u>2,449,530</u>	 <u>6,001,346</u>	 <u>4,303,969</u>	 <u>12,754,845</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 3,264,386</u>	 <u>\$ 6,001,346</u>	 <u>\$ 6,877,533</u>	 <u>\$ 16,143,265</u>

See Notes to Financial Statements

ANTRIM COUNTY  
Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
DECEMBER 31, 2006

Fund Balances - Total Governmental Funds	\$ 12,754,845
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Amounts reported for *governmental activities* in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

Capital Assets - at Cost	22,914,104
Accumulated Depreciation	(7,519,900)

Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds	<u>(189,750)</u>
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Net Assets of Governmental Activities	<u>\$ 27,959,299</u>
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See Notes to Financial Statements



ANTRIM COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	MAJOR FUNDS			
	GENERAL FUND	REVENUE SHARING RESERVE	OTHER FUNDS	TOTAL
REVENUES				
Taxes	\$ 8,380,725	\$ 2,308,622	\$ 578,469	\$ 11,267,816
Licenses and Permits	144,066	-	608,333	752,399
Intergovernmental Revenue:				
Federal	90,532	-	820,868	911,400
State	714,113	-	780,075	1,494,188
Other Local Units	-	-	3,029	3,029
Charges for Services	1,479,974	-	931,010	2,410,984
Fines and Forfeits	4,325	-	3,500	7,825
Interest and Rents	455,879	6,923	327,394	790,196
Other Revenue	291,047	-	241,621	532,668
 TOTAL REVENUES	 11,560,661	 2,315,545	 4,294,299	 18,170,505
EXPENDITURES				
Current				
Legislative	143,551	-	-	143,551
Judicial	1,637,388	-	27,402	1,664,790
General Government	3,392,823	-	127,426	3,520,249
Public Safety	2,937,309	-	1,721,041	4,658,350
Public Works	973	-	-	973
Health and Welfare	540,308	-	1,869,534	2,409,842
Community/Economic Development	323,782	-	-	323,782
Recreation and Cultural	266,974	-	61,990	328,964
Capital Outlay	371,611	-	1,534,874	1,906,485
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
 TOTAL EXPENDITURES	 9,614,719	 -	 5,342,267	 14,956,986
 REVENUES OVER (UNDER) EXPENDITURES	 1,945,942	 2,315,545	 (1,047,968)	 3,213,519
OTHER FINANCING SOURCES (USES)				
Proceeds From Lease Purchase	189,750	-	-	189,750
Transfers In	53,002	-	2,110,348	2,163,350
Transfers (Out)	(1,585,288)	(401,347)	(272,715)	(2,259,350)
 TOTAL OTHER FINANCING SOURCES (USES)	 (1,342,536)	 (401,347)	 1,837,633	 93,750
 REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 603,406	 1,914,198	 789,665	 3,307,269
 FUND BALANCES, BEGINNING OF YEAR	 1,846,124	 4,087,148	 3,514,304	 9,447,576
 FUND BALANCES, END OF YEAR	 \$ 2,449,530	 \$ 6,001,346	 \$ 4,303,969	 \$ 12,754,845

See Notes to Financial Statements

ANTRIM COUNTY  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
FOR THE YEAR ENDED DECEMBER 31, 2006

Net Change in Fund Balances - Total Governmental Funds	\$ 3,307,269
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Amounts reported for *governmental activities* in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

Add - Capital Outlay	1,906,485
Deduct - Depreciation Expense	(465,621)

Lease/purchase proceeds is recorded as revenue in the funds but not recorded as revenue in the Statement of Activities	<u>(189,750)</u>
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Change in Net Assets of Governmental Activities	<u>\$ 4,558,383</u>
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See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
<b>ASSETS</b>					
Current Assets					
Cash	\$ 77,106	\$ 2,986,486	\$ 3,800	\$ 141,112	\$ 3,208,504
Investments	6,800,000	1,209,846	243,542	-	8,253,388
Receivables:					
Accounts	-	790,818	31,954	26,525	849,297
Taxes	-	1,110,321	-	-	1,110,321
Delinquent Taxes	1,233,149	-	-	-	1,233,149
Interest and Penalties	301,725	-	-	-	301,725
Due from State	-	-	-	6,002	6,002
Prepaid Expenses	-	110,253	-	6,450	116,703
Inventories	-	-	-	19,081	19,081
Capital Assets - net	-	2,084,950	203,006	384,340	2,672,296
<b>TOTAL ASSETS</b>	<b>8,411,980</b>	<b>8,292,674</b>	<b>482,302</b>	<b>583,510</b>	<b>17,770,466</b>
<b>LIABILITIES</b>					
Accounts Payable	1,969	298,619	5,827	46,352	352,767
Accrued Liabilities	-	539,049	-	11,304	550,353
Due to Other Governments	-	-	-	-	-
Bonds Payable	-	-	190,000	-	190,000
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,969</b>	<b>837,668</b>	<b>195,827</b>	<b>57,656</b>	<b>1,093,120</b>
<b>NET ASSETS</b>					
Investment in Capital Assets, Net of Related Debt	-	2,084,950	13,006	384,340	2,482,296
Unrestricted net assets	7,689,528	4,946,972	273,469	141,514	13,051,483
Restricted net assets	720,483	423,084	-	-	1,143,567
<b>TOTAL NET ASSETS</b>	<b>\$ 8,410,011</b>	<b>\$ 7,455,006</b>	<b>\$ 286,475</b>	<b>\$ 525,854</b>	<b>\$ 16,677,346</b>

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
DECEMBER 31, 2006

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
OPERATING REVENUES					
Interest and Penalties on Taxes	\$ 401,920	\$ -	\$ -	\$ -	\$ 401,920
Charges for Services	266,620	10,011,419	101,972	335,084	10,715,095
Sale of Properties at Tax Auction	104,946	-	-	-	104,946
Other Income	-	251,123	-	-	251,123
TOTAL OPERATING REVENUES	<u>773,486</u>	<u>10,262,542</u>	<u>101,972</u>	<u>335,084</u>	<u>11,473,084</u>
OPERATING EXPENSES					
Salary Expense	-	5,387,127	-	332,139	5,719,266
Fringe Benefit Expense	-	1,422,207	-	188,377	1,610,584
Other Expenses	106,825	2,952,099	29,956	278,291	3,367,171
Depreciation Expense	-	310,621	25,421	153,462	489,504
TOTAL OPERATING EXPENSES	<u>106,825</u>	<u>10,072,054</u>	<u>55,377</u>	<u>952,269</u>	<u>11,186,525</u>
OPERATING INCOME (LOSS)	666,661	190,488	46,595	(617,185)	286,559
NONOPERATING REVENUES (EXPENSES)					
Interest Earned on Investments	266,714	160,468	10,778	6,747	444,707
Interest Expense	-	-	(10,617)	-	(10,617)
Tax Levy	-	1,097,162	-	-	1,097,162
Restricted Donations/Income	-	9,552	-	-	9,552
(Loss) on Sale of Assets	-	-	-	-	-
Federal Grants	-	-	-	184,919	184,919
State Grants	-	-	-	278,894	278,894
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>266,714</u>	<u>1,267,182</u>	<u>161</u>	<u>470,560</u>	<u>2,004,617</u>
INCOME BEFORE OPERATING TRANSFERS	933,375	1,457,670	46,756	(146,625)	2,291,176
TRANSFERS					
Transfers from Other Funds	-	-	-	96,000	96,000
Transfers to Other Funds	-	-	-	-	-
TOTAL TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,000</u>	<u>96,000</u>
CHANGE IN NET ASSETS	933,375	1,457,670	46,756	(50,625)	2,387,176
NET ASSETS, BEGINNING OF YEAR	<u>7,476,636</u>	<u>5,997,336</u>	<u>239,719</u>	<u>576,479</u>	<u>14,290,170</u>
NET ASSETS, END OF YEAR	<u>\$ 8,410,011</u>	<u>\$ 7,455,006</u>	<u>\$ 286,475</u>	<u>\$ 525,854</u>	<u>\$ 16,677,346</u>

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Cash Flows from Operating Activities:					
Cash received from customers	\$ 266,620	\$ 10,018,263	\$ 91,606	\$ 339,869	\$ 10,716,358
Cash received from sale of taxes at auction	104,946	-	-	-	104,946
Cash payments for goods and services	(104,856)	(9,638,247)	(25,809)	(292,440)	(10,061,352)
Cash received from penalties and interest on delinquent taxes	602,684	-	-	-	602,684
Cash received from other sources	-	251,123	-	-	251,123
Cash payments to employees for services/fringe benefits	-	-	-	(520,005)	(520,005)
Cash received for delinquent taxes	4,405,319	-	-	-	4,405,319
Cash payments for delinquent taxes	(3,734,912)	-	-	-	(3,734,912)
Net Cash Provided (Used) by Operating Activities	<u>1,539,801</u>	<u>631,139</u>	<u>65,797</u>	<u>(472,576)</u>	<u>1,764,161</u>
Cash Flows from Non Capital Financing Activities:					
Transfers from (to) other funds	-	-	-	96,000	96,000
Proceeds from county tax levy	-	1,041,950	-	-	1,041,950
Contributions received	-	9,552	-	-	9,552
Operating grants received	-	-	-	371,460	371,460
Net Cash Provided (Used) by Non Capital Financing Activities	<u>-</u>	<u>1,051,502</u>	<u>-</u>	<u>467,460</u>	<u>1,518,962</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of capital assets	-	(176,255)	-	(94,556)	(270,811)
Capital acquisition grants - received in cash	-	-	-	88,509	88,509
Principal paid on bonds	-	-	(30,000)	-	(30,000)
Interest paid on bonds	-	-	(10,617)	-	(10,617)
Proceeds from sale of property and equipment	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(176,255)</u>	<u>(40,617)</u>	<u>(6,047)</u>	<u>(222,919)</u>
Cash Flows from Investing Activities:					
Proceeds from sale (purchase of) investments	-	306,978	-	-	306,978
Interest Received	<u>266,714</u>	<u>160,468</u>	<u>10,778</u>	<u>6,747</u>	<u>444,707</u>
Net Cash Provided by Investing Activities	<u>266,714</u>	<u>467,446</u>	<u>10,778</u>	<u>6,747</u>	<u>751,685</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,806,515	1,973,832	35,958	(4,416)	3,811,889
Cash and Cash Equivalents, Beginning of Year	<u>5,070,591</u>	<u>2,222,500</u>	<u>211,384</u>	<u>145,528</u>	<u>7,650,003</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,877,106</u>	<u>\$ 4,196,332</u>	<u>\$ 247,342</u>	<u>\$ 141,112</u>	<u>\$ 11,461,892</u>

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Operating Income (Loss)	\$ 666,661	\$ 190,488	\$ 46,595	\$ (617,185)	\$ 286,559
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	-	310,621	25,421	153,462	489,504
Provision for bad debt	-	14,506	-	-	14,506
Changes in Assets and Liabilities:					-
(Increase) Decrease in Accounts Receivable	-	(7,662)	(10,366)	4,785	(13,243)
(Increase) Decrease in Delinquent Taxes Receivable	670,407	-	-	-	670,407
(Increase) Decrease in Interest and Penalties Receivable	200,764	-	-	-	200,764
(Increase) Decrease in Inventories	-	-	-	(1,187)	(1,187)
(Increase) Decrease in Other Current Assets	-	(55,464)	-	1,110	(54,354)
Increase (Decrease) in Accounts Payable	1,969	122,477	4,147	(14,072)	114,521
Increase (Decrease) in Accrued Liabilities Deferred Revenues	-	56,173	-	511	56,684
	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,539,801</u>	<u>\$ 631,139</u>	<u>\$ 65,797</u>	<u>\$ (472,576)</u>	<u>\$ 1,764,161</u>

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF FIDUCIARY FUND NET ASSETS  
AGENCY FUNDS  
DECEMBER 31, 2006

<u>ASSETS</u>	
Cash	\$ 1,083,309
TOTAL ASSETS	<u>\$ 1,083,309</u>
 <u>LIABILITIES</u>	
Due to Other Governmental Units	\$ 224,748
Undistributed Collections	791,930
Other Liabilities	<u>66,631</u>
TOTAL LIABILITIES	<u>\$ 1,083,309</u>

See Notes to Financial Statements

**ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

**DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES**

The County was organized in 1863 and covers an area of approximately 475 square miles with the County seat located in Bellaire, Michigan. The County operates under an elected Board of Commissioners of nine (9) members and provides services, assistance and care to its more than 23,000 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care includes the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

**REPORTING ENTITY**

The accompanying financial statements present the County (primary government) and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units, on the other hand are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity" and the State of Michigan Department of Treasury established criteria for governmental organizations to be considered to be part of the County for financial reporting purposes. The criteria included oversight responsibility, fiscal dependency and whether the statements would be misleading if data were not included.

The financial statements of certain governmental organizations are not included in the financial statements of the County: (1) Education services which are provided to citizens through the several local school districts that are separate governmental entities.

**DISCRETELY PRESENTED COMPONENT UNIT**

The Antrim County Road Commission is considered a component unit of the County. Its financial statement is discretely presented in the County combined financial statements as required by accounting principles generally accepted in the United States of America revised under GASB 14. The road commission data is shown in the column entitled road commission and is discretely presented to emphasize that the road commission has its own board, appointed by the board of commissioners, and acts, under Michigan Statute as a separate board. Complete financial statements of the Road Commission Component Unit can be obtained directly from the Road Commission office at 319 East Lincoln St., Mancelona, Michigan 49659.

**JOINTLY GOVERNED ORGANIZATIONS**

The North Country Community Mental Health Authority consists of the counties of Otsego, Emmet, Charlevoix, Cheboygan, Antrim and Kalkaska. Financial records for this Authority are maintained by the mental health authority and are audited separately from any of the member counties. A copy of a financial statement and audit report would be available at the Authority office located at 1 MacDonald Drive, Suite A, Petoskey, Michigan 49770.



**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The funding formula for the Community Mental Health operations is in accordance with an agreement approved by all of the member counties and the local contribution was frozen, by statute, at the amount contributed in the year 2002. For 2006 Antrim County's local match was \$145,611. Their financial statements are not required, under GASB No. 14, to be included in the Antrim County report.

The 86<sup>th</sup> District Court is comprised of Antrim, Grand Traverse and Leelanau Counties. The court funding formula is based upon caseload. All of Antrim County's expenses for the operation of the court are recorded in the general fund under the District Court caption.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a countywide cost allocation plan, which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

GENERAL FUND This fund is the County's the primary general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

REVENUE SHARING RESERVE FUND – This fund was established by the State of Michigan during 2004 as a result of legislation that in effect shifted an obligation formerly funded by the State to the local taxpayers by levying taxes sooner and shifting the collection from winter to summer for County operating taxes.

The County reports the following major enterprise funds:

MEADOW BROOK MEDICAL CARE FACILITY – This fund is a 113 bed long-term medical care facility.

DELINQUENT PROPERTY TAX FUND – This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

ELK RAPIDS HYDRO ELECTRIC – This is an enterprise fund that generates power from a county owned facility and sells it to a local utility. It is a major fund because of the outstanding debt and its percentage to total liabilities.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS - These funds are used to account for specific revenues derived primarily from sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

DEBT SERVICE FUNDS – account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Building Authority.

CAPITAL PROJECTS FUNDS - The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by enterprise funds or special assessments.

AGENCY FUNDS – are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidelines.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise funds consist of administrative expenses. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

**BUDGETS AND BUDGETARY ACCOUNTING**

**PRIMARY GOVERNMENT**

A budget is adopted by the Board of Commissioners in accordance with Michigan Public Act 621 of 1978. The Uniform Budgeting and Accounting Act, for the general and special revenue funds. The Board amends the budget as necessary during the year. The budget is adopted on the modified accrual basis of accounting consistent with the actual financial statements for these funds. The budget is adopted at the activity level and control is exercised at the activity level for the General Fund and Special Revenue Funds. All budget appropriations lapse at the end of each fiscal year.

The County does not use encumbrances in its accounting system.

**DISCRETE COMPONENT UNIT**

Budgetary procedures are established pursuant to Michigan Public Act 621, PA 1978, as amended, (MCL 141.421) which requires the County Board of Road Commissioners to approve a budget for the County Road Fund. Pursuant to the Act, the Road Commission's chief financial officer prepares and submits a proposed operating budget to the Board of Road commissioners for its review and consideration. The budget is amended as necessary during the year, and is approved by the Board. The budget is prepared on the modified accrual basis of accounting, which is the same basis utilized for the fund financial statements.

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**BANK DEPOSITS AND INVESTMENTS** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

**RECEIVABLES AND PAYABLES** – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

CURRENT PROPERTY TAX LEVY - The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31.

Beginning with the 2004 tax levy the State has mandated the creation of a Revenue Sharing Reserve fund into which one-third of the County's 2004 ad valorem operating tax is being recognized and deposited each year for three years. The purpose of the fund is to accumulate reserves of the County's own local tax dollars from which an amount similar to Revenue Sharing payments, formerly made by the State, will be made back to the General Fund. As part of this process, the County's operating tax levy is shifting over three years from winter to summer. For 2007 the entire County operating levy will be levied in the summer.

The County's Winter 2005 and Summer 2006 ad valorem taxes were levied and collectible on December 1, 2005 and July 1, 2006, respectively. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's Winter 2005 and Summer 2006 tax levies have been recognized as revenue in the current fiscal year. The 2005 taxable value of Antrim County amounted to \$1,485,604,812 on which ad valorem taxes levies for county general operating purposes consisted of 1.7622 mills for Winter 2005 and the 2006 taxable value amounted to \$1,589,969,292 on which 3.4329 mills for Summer 2006. The Antrim County Commission on Aging levied .3852 mills for services related to the aging within the County. The County levied .6937 mills for services related to the Meadow Brook Medical Care Facility operations

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2006. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving fund. This activity is accounted for in the Delinquent Tax Revolving (Enterprise) Fund.

TAXES RECEIVABLE - DELINQUENT - The taxes receivable of \$1,233,149 which are recorded in the Enterprise 100% Tax Payment Fund, consist of the unpaid delinquent real property taxes which were purchased from all of the taxing units in Antrim County by the County's 100% Tax Payment Fund.

INVENTORIES AND PREPAID ITEMS ROAD COMMISSION (COMPONENT UNIT) – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statement.

CAPITAL ASSETS – Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the activities column in the government-as assets with an initial individual cost of more then \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	8 to 50 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

DEFERRED REVENUE – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt used is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY - In the fund financial statements, governmental and business-type funds report reservations of fund balance for amounts that are not legally restricted for use for a specific purpose.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS / FUND DEFICITS**

Public Act 621 of 1978, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. The approved budgets of the County for all budgetary funds were adopted at the department (activity) level.

PRIMARY GOVERNMENT

During the year ended December 31, 2006 expenditures were incurred in excess of the amounts appropriated in the amended budget of the general fund and special revenue fund types of the primary government as follows:

	Amended Budget	Actual	Variance
General Fund			
Friend of Court	\$ 75,000	\$ 75,334	\$ (334)
Capital Outlay	\$ 230,810	\$ 371,611	\$ (140,801)
Special Revenue Funds			
Emergency Services Total Grant 2005	\$ 1,000	\$ 1,059	\$ (59)
Park Fund Raiser	\$ -	\$ 1,151	\$ (1,151)
MMRA Camera Grant	\$ -	\$ 5,000	\$ (5,000)
Airport Special Projects	\$ -	\$ 748,237	\$ (748,237)
Housing 03/04 CDBG	\$ 65,500	\$ 142,694	\$ (77,194)
Housing 05/06	\$ 132,000	\$ 135,795	\$ (3,795)
Emergency Services 06 Supplement	\$ -	\$ 21,953	\$ (21,953)
Services For Aged	\$ 1,005,733	\$ 1,008,549	\$ (2,816)

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 2– EXCESS OF EXPENDITURES OVER APPROPRIATIONS/FUND DEFICITS (CONTINUED)**

Cash Deficit – The county incurred a cash deficit in the following fund:

Governmental: Special Revenue:

    Probate Grant \$ (2,213)

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

    Housing 05-06 CDBG \$ (4,167)

    Probate Grant \$ (2,767)

    Services for Aged \$ (20,522)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2006. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2006 and an appropriate plan will be filed.

**NOTE 3 - CASH AND INVESTMENTS**

The captions on the accompanying balance sheet related to cash and investments are as follows:

	Imprest Cash	Cash/Checking and Savings	Investments	Total
Primary Government				
Government Activities	\$ 5,454	\$ 8,028,374	\$ 2,196,271	\$ 10,230,099
Business-type Activities	1,825	3,206,679	8,253,388	11,461,892
Agency Funds	-	1,083,309	-	1,083,309
Component Unit				
Road Commission	200	332,919	91,910	425,029
	<u>\$ 7,479</u>	<u>\$12,651,281</u>	<u>\$10,541,569</u>	<u>\$ 23,200,329</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$12,651,281 and the bank balance of \$13,068,671 was classified as to risk as follows:

Insured	\$ 1,151,647
Uninsured – Uncollateralized	11,499,634
	<u>\$ 12,651,281</u>

Investments - Act 217, PA 1982, authorized the County to deposit and invest in the following:

- (a) bonds, securities and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings and accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State and maintains a principal office or branch office in Michigan.
- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- (d) United States government or Federal agency obligation repurchase agreements

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

- (e) bankers' acceptance of United States banks
- (f) mutual funds properly registered with the State of Michigan, composed of investments which are legal for direct investments by local units of government in Michigan.

As of December 31, 2006 the carrying amounts and market values for each investment are as follows:

<u>INVESTMENT TYPE</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Moody's Rating</u>	<u>Weighted Average Maturity</u>
J P Morgan Chase - Michigan MM Fund	\$ 932,632	\$ 932,632	N/A	1 DAY
Citizens Bank - Treasury Portfolio Class B	4,207,524	4,207,524	N/A	1 DAY
National City Bank - MM Sweep	9,000	9,000	N/A	1 DAY
MBIA Class fund	4,126,866	4,126,866	N/A	1 DAY
Merrill Lynch Govt Securities Fund	91,910	91,910	N/A	1 DAY
LaSalle Bank MMA/Govt Portfolio	110,629	110,629	N/A	1 DAY
Citigroup Commercial Paper	<u>1,063,008</u>	<u>1,063,008</u>	Aaa	92 DAYS
 Total Investments Per Report	 <u>\$ 10,541,569</u>	 <u>\$ 10,541,569</u>		

**Credit Risk**

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The county's investments all meet State statutes.

**Interest Rate Risk**

The County has not adopted a policy that indicates how the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

**Concentration of Credit Risk**

The County has not adopted a policy that indicates how the County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

**Custodial Credit Risk**

The County has not adopted a policy that indicates how the County will minimize custodial credit risk, which is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments of collateral securities that are in possession of an outside party.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 4 – RECEIVABLES / DEFERRED REVENUE**

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Revenue Sharing Reserve	Non-Major And Other Funds	Total
Taxes Receivable	\$ 951,120	\$ 2,308,622	\$ 612,456	\$ 3,872,198
Accounts	45,452	-	45,077	90,529
Mortgages	-	-	1,769,322	1,769,322
Intergovernmental	99,097	-	77,269	176,366
Net Receivables	<u>\$ 1,095,669</u>	<u>\$ 2,308,622</u>	<u>\$ 2,504,124</u>	<u>\$ 5,908,415</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Delinquent Property Taxes	\$ 1,082,107	\$ -	\$ 1,082,107
Housing Fund Mortgages	-	1,769,322	1,769,322
	<u>\$ 1,082,107</u>	<u>\$ 1,769,322</u>	<u>\$ 2,851,429</u>

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Due To/From Other Funds			
Other Non-Major Funds	\$ 4,751	Other Non-Major Funds	\$ 4,751
Total	<u>\$ 4,751</u>		<u>\$ 4,751</u>

**Interfund Transfers**

	Operating Transfers In	Operating Transfers Out	Total
<u>Transfers</u>			
General Fund	\$ 53,002	\$ (1,585,288)	\$ (1,532,286)
Revenue Sharing Reserve Fund	-	(401,348)	(401,348)
Non Major Governmental Funds	2,110,348	(272,714)	1,837,634
Proprietary Funds	96,000	-	96,000
Total	<u>\$ 2,259,350</u>	<u>\$ (2,259,350)</u>	<u>\$ -</u>



**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	Balance 1/1/06	Additions	Disposals	Balance 12/31/06
Capital assets not being depreciated:				
Land	\$ 7,516,705	\$ 101,375	\$ -	\$ 7,618,080
Subtotal	<u>7,516,705</u>	<u>101,375</u>	<u>-</u>	<u>7,618,080</u>
Capital assets being depreciated:				
Buildings	8,327,009	411,283	-	8,738,292
Land Improvements	2,165,079	695,606	-	2,860,685
Machinery and Equipment	2,998,826	698,221	-	3,697,047
Subtotal	<u>13,490,914</u>	<u>1,805,110</u>	<u>-</u>	<u>15,296,024</u>
Accumulated Depreciation:				
Buildings	3,275,073	153,411	-	3,428,484
Land Improvements	1,642,660	51,024	-	1,693,684
Machinery and Equipment	2,136,546	261,186	-	2,397,732
Subtotal	<u>7,054,279</u>	<u>465,621</u>	<u>-</u>	<u>7,519,900</u>
Net Capital Assets Being Depreciated	<u>6,436,635</u>	<u>1,339,489</u>	<u>-</u>	<u>7,776,124</u>
Net Capital Assets	<u>\$ 13,953,340</u>	<u>\$ 1,440,864</u>	<u>\$ -</u>	<u>\$ 15,394,204</u>

Capital asset activity of the business-type activities for the current year was as follows:

	1/1/05	Additions	Disposals	12/31/05
Capital assets not being depreciated:				
Land	\$ 5,541	\$ -	\$ -	\$ 5,541
Construction in progress	-	9,890	-	9,890
Capital assets being depreciated:				
Land Improvements	213,314	9,684	-	222,998
Building	4,708,960	60,715	-	4,769,675
Furniture, Fixtures, & Equipment	2,045,409	98,200	-	2,143,609
Vehicles	1,248,898	92,322	-	1,341,220
Subtotal	<u>8,216,581</u>	<u>260,921</u>	<u>-</u>	<u>8,477,502</u>
Accumulated Depreciation:				
Land Improvements	89,590	13,567	-	103,157
Building	3,079,336	193,321	-	3,272,657
Furniture, Fixtures, & Equipment	1,220,370	136,468	-	1,356,838
Vehicles	941,837	146,148	-	1,087,985
Subtotal	<u>5,331,133</u>	<u>489,504</u>	<u>-</u>	<u>5,820,637</u>
Net Capital Assets Being Depreciated	<u>2,885,448</u>	<u>(228,583)</u>	<u>-</u>	<u>2,656,865</u>
Net Business Type Activities Capital Assets	<u>\$ 2,890,989</u>	<u>\$ (218,693)</u>	<u>\$ -</u>	<u>\$ 2,672,296</u>

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
Judicial	\$ 33,603
General government	195,687
Public Safety	213,014
Health and Welfare	12,679
Recreation and Culture	<u>10,638</u>
Total Governmental Activities	<u>\$ 465,621</u>
Business-Type Activities	
Medical Care Facility	310,621
Hydro Electric	25,421
Transportation	<u>153,462</u>
Total Business-Type Activities	<u>\$ 489,504</u>

DISCRETE COMPONENT UNIT – The following is a summary of changes in Capital Assets for the Road Commission.

	Balance <u>1/1/06</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/06</u>
Capital assets not being depreciated:				
Land	\$ 58,250	\$ -	\$ -	\$ 58,250
Infrastructure and Land Improvements	<u>10,866,277</u>	<u>1,317,118</u>		<u>12,183,395</u>
Subtotal	<u>10,924,527</u>	<u>1,317,118</u>	-	<u>12,241,645</u>
Capital assets being depreciated:				
Buildings	2,458,542	2,904	-	2,461,446
Equipment - Road	5,261,630	202,826	-	5,464,456
Equipment - Shop	113,687	26,475	-	140,162
Equipment - Office	105,311	1,977	-	107,288
Equipment - Engineering	46,423	-	-	46,423
Equipment - Yard & Storage	927,573	560	-	928,133
Infrastructure - Bridges	1,048,407	3,867	-	1,052,274
Infrastructure - Roads	<u>16,099,617</u>	<u>2,004,112</u>	-	<u>18,103,729</u>
Subtotal	<u>26,061,190</u>	<u>2,242,721</u>	-	<u>28,303,911</u>

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Accumulated Depreciation:

Buildings	651,212	60,555	-	711,767
Equipment - Road	4,487,118	326,466	-	4,813,584
Equipment - Shop	100,083	8,779	-	108,862
Equipment - Office	90,498	5,901	-	96,399
Equipment - Engineering	43,119	1,782	-	44,901
Equipment - Yard & Storage	751,043	44,202	-	795,245
Infrastructure - Bridges	441,372	42,883	-	484,255
Infrastructure - Roads	<u>7,216,993</u>	<u>767,242</u>	<u>-</u>	<u>7,984,235</u>

Subtotal	<u>13,781,438</u>	<u>1,257,810</u>	<u>-</u>	<u>15,039,248</u>
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Net Capital Assets Being Depreciated	<u>12,279,752</u>	<u>984,911</u>	<u>-</u>	<u>13,264,663</u>
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Net Component Unit Capital Assets	<u>\$ 23,204,279</u>	<u>\$ 2,302,029</u>	<u>\$ -</u>	<u>\$ 25,506,308</u>
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Depreciation was charged to operations as follows:

Primary Roads	\$ 330,077
Local roads	480,048
Equipment	440,002
Administration	<u>7,683</u>
Total	<u>\$ 1,257,810</u>

**NOTE 7 - LONG-TERM DEBT**

Following is a summary of pertinent information concerning the County's long-term debt:

Outstanding Debt Descriptions:

	Governmental Activities	Business Type Activities	Total
Ford Motor Police Car Lease	\$ 170,530	\$ -	\$ 170,530
Ford Motor Pick-up Lease	19,220	-	19,220
Elk Rapids Hydroelectric			
Revenue Bonds	<u>-</u>	<u>190,000</u>	<u>190,000</u>
Total	<u>\$ 189,750</u>	<u>\$ 190,000</u>	<u>\$ 379,750</u>

Changes in Long-Term Debt

	Governmental Activities	Business Type Activities	Total
January 1, 2006	\$ -	\$ 220,000	\$ 220,000
Additions	189,750	-	189,750
Reductions	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
December 31, 2006	<u>\$ 189,750</u>	<u>\$ 190,000</u>	<u>\$ 379,750</u>

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

GENERAL GOVERNMENT

GOVERNMENTAL ACTIVITIES

Description – The County purchased a pick-up and eight police cars using a Ford Motor Company lease/purchase plan.

Security – The lease/purchase is secured by the equipment being financed.

Interest rate – The pick-up rate is 7.0% per annum and the police cars rate is 6.60% per annum.

Annual Debt Service Requirements - Police Cars

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Principal	\$ 44,330	\$ 39,409	\$ 42,009	\$ 44,782	\$ 170,530
Interest	3,408	8,329	5,728	2,956	20,421
Total	<u>\$ 47,738</u>	<u>\$ 47,738</u>	<u>\$ 47,737</u>	<u>\$ 47,738</u>	<u>\$ 190,951</u>

Annual Debt Service Requirements - Pick-up

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Principal	\$ 5,230	\$ 4,352	\$ 4,656	\$ 4,982	\$ 19,220
Interest	101	979	675	349	2,104
Total	<u>\$ 5,331</u>	<u>\$ 5,331</u>	<u>\$ 5,331</u>	<u>\$ 5,331</u>	<u>\$ 21,324</u>

BUSINESS TYPE ACTIVITY - 100% TAX PAYMENT FUND

Description - Enterprise - 100% Tax Payment Fund general obligation tax notes are issued by the County to purchase delinquent taxes and special assessments except taxes on personal property, due and payable to the taxing units in the County. No borrowing occurred during 2006. The Tax Payment Fund self funded the tax payoff.

BUSINESS TYPE ACTIVITY- ELK RAPIDS HYDROELECTRIC PLANT

Description - Enterprise - Elk Rapids Hydroelectric FmHA revenue bonds were issued to the County to provide for the rehabilitation and improvement of the Elk Rapids Hydroelectric Plant. The bonds are titled Electric Utility System Revenue Refinancing Bonds. The balance at December 31, 2006 was \$190,000.

Security - The revenue bonds are secured by Operating revenues provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power Board.

Interest Rate - 6.6 - 7.55% payable November 1 and May 1 of each year.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Annual Debt Service Requirements:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Other</u>	<u>Total</u>
Principal	\$ 25,000	\$ 25,000	\$ 30,000	\$ 35,000	\$ 40,000	\$ 35,000	\$ 190,000
Interest	<u>9,208</u>	<u>8,020</u>	<u>6,820</u>	<u>5,350</u>	<u>160</u>	<u>-0-</u>	<u>29,558</u>
Total	<u>\$ 34,208</u>	<u>\$ 33,020</u>	<u>\$ 36,820</u>	<u>\$ 40,350</u>	<u>\$ 40,160</u>	<u>\$ 35,000</u>	<u>\$ 219,558</u>

Total Primary Government Annual Debt Service Requirements

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Other</u>	<u>Total</u>
Principal	\$ 74,560	\$ 68,761	\$ 76,665	\$ 84,764	\$ 40,000	\$ 35,000	\$ 379,750
Interest	<u>12,717</u>	<u>17,328</u>	<u>13,223</u>	<u>8,655</u>	<u>160</u>	<u>-0-</u>	<u>52,083</u>
Total	<u>\$ 87,277</u>	<u>\$ 86,089</u>	<u>\$ 89,888</u>	<u>\$ 93,419</u>	<u>\$ 40,160</u>	<u>\$ 35,000</u>	<u>\$ 431,833</u>

DISCRETE COMPONENT UNIT

The long-term debt of the Road Commission is summarized as follows:

	<u>Balance</u> <u>01/01/2006</u>	<u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>12/31/2006</u>
Bonds Payable	\$ 615,000	\$ (200,000)	\$ 415,000
Compensated Absences	<u>204,141</u>	<u>8,766</u>	<u>212,907</u>
Total	<u>\$ 819,141</u>	<u>\$ (191,234)</u>	<u>\$ 627,907</u>

The annual debt service requirements to maturity for bonds payable as of December 31, 2006, is summarized as follows:

The Michigan Transportation Fund Notes, Series 2005 were used for the purpose of renovation and reconstruction of the Mancelona garage.

Michigan Transportation Fund Notes, Series 2005

Date of Issue: July 1, 2005

Amount: \$ 995,000

<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal</u>	<u>Interest</u> <u>June 1</u>	<u>Interest</u> <u>December 1</u>	<u>Total</u>
1.70%	06/01/07	\$ 205,000	\$ 3,843	\$ 2,100	\$ 210,943
2.00%	06/01/08	<u>\$ 210,000</u>	<u>\$ 2,100</u>	<u>\$ -0-</u>	<u>\$ 212,100</u>
		<u>\$ 415,000</u>	<u>\$ 5,943</u>	<u>\$ 2,100</u>	<u>\$ 423,043</u>

Compensated absences are for accumulated personal, sick and vacation days. At December 31, 2006 the total accumulated liability was \$212,907.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 8 - PENSION PLANS**

PRIMARY GOVERNMENT

Plan Description - Antrim County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917.

All full time County employees are eligible to participate in the system. Benefits vest after ten years of service. General County employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 5-year final average compensation. The system also provides death and disability benefits that are established by State Statute.

Participating County employees are not required to contribute to the system. The County is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 1997. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.5% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2005 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 8 - PENSION PLANS (CONTINUED)**

GASB 25 INFORMATION (as of 12/31/05)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 6,515,598
Terminated employees not yet receiving benefits	1,306,177
Non-vested terminated employees(pending refunds of member contributions)	47,936
Current employees:	
Accumulated employee contributions including	
allocated investment income	722,827
Employer financed	13,096,041
Total Actuarial accrued liability	21,688,579
Net Assets Available for Benefits, at actuarial value	
(Market Value is 17,470,050)	17,942,859
Unfunded (over funded) actuarial accrued liability	<u>\$ 3,745,720</u>

GASB 27 INFORMATION (as of 12/31/05)

Fiscal year beginning	January 1, 2007
Annual required contribution (ARC)	\$ 860,292
Amortization factor used – Underfunded liabilities (30 years)	0.053632
– Underfunded liabilities (22 years)	0.065308
– Underfunded liabilities (30 year level \$)	0.085453
– Overfunded liabilities (10 years)	0.119963

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2005 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year</u> <u>Ended</u> <u>December 31,</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>Of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2003	\$ 529,177	100%	-0-
2004	674,928	100%	-0-
2005	838,464	100%	-0-

The County was required to contribute \$830,472 for the year ended December 31, 2006. Payments were based on contribution calculations made by MERS. This amount includes all departments of the County – General, sheriff, Medical Care and Transportation.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 8 - PENSION PLANS (CONTINUED)**

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2003	\$ 15,191,227	\$ 18,789,441	\$ 3,598,214	81%	\$ 9,016,687	40%
2004	16,568,156	20,010,026	3,441,870	83%	9,054,278	38%
2005	17,942,859	21,688,579	3,745,720	83%	8,980,387	42%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

**DISCRETE COMPONENT UNIT**

Plan Description - Antrim County Road Commission participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917. The most recent report for which actuarial data was available was for the fiscal year ended December 31, 2005.

All full time County Road union and administrative employees are eligible to participate in the system. Benefits vest after ten years of service. Union employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of the member's 5-year final average compensation per year of service. Administrative employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 3-year final average compensation per year of service. The system also provides death and disability benefits that are established by State Statute.

Participating County Road employees are not required to contribute to the system. The County Road is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.



**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 8 - PENSION PLANS (CONTINUED)**

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2005. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2005 actuarial valuation to determine the annual employer contribution amounts. the entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/05)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 6,309,285
Terminated employees not yet receiving benefits	-
Current employees:	
Accumulated employee contributions including	
allocated investment income	144,321
Employer financed	<u>3,688,247</u>
Total Actuarial accrued liability	10,141,853
Net Assets Available for Benefits, at actuarial value	
(Market Value is 6,126,250)	<u>6,292,051</u>
Unfunded (over funded) actuarial accrued liability	<u>\$ 3,849,802</u>

GASB 27 INFORMATION (as of 12/31/05)

Fiscal year beginning	January 1, 2007
Annual required contribution (ARC)	\$ 343,800
Amortization factor used	0.053632

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2005 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

Year Ended December 31,	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2003	\$ 202,566	100%	-0-
2004	232,764	100%	-0-
2005	304,116	100%	-0-

**ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006**

**NOTE 8 - PENSION PLAN (CONTINUED)**

The County Road Commission was required to contribute \$257,808 for the year ended December 31, 2006. Payments were based on contribution calculations made by MERS.

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2003	\$ 6,135,137	\$ 8,581,612	\$ 2,446,475	71%	\$ 1,473,780	166.00%
2004	6,272,727	9,521,436	3,248,709	66%	1,431,107	227.00%
2005	6,292,051	10,141,853	3,849,802	62%	1,540,770	250.00%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

**NOTE 9 - DEFERRED COMPENSATION PLAN**

Antrim County and its component unit - Road Commission offer its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all county employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In the past, the County was custodian of the assets in the plan and recorded the plan's activity in accordance with GASB requirements in the financial statements. In 1999 GASB Statement 32 was implemented and custodianship of the plan was transferred to an independent third party. Balances for deferred compensation are no longer reported in the financial statements.

**NOTE 10 - POST EMPLOYMENT HEALTH CARE BENEFITS**

PRIMARY GOVERNMENT - In addition to pension benefits described in note G the County employment agreement with Sheriff department employees provides for certain post employment health care coverage. For Sheriff Department employees retiring after 1/1/91 with a combined age and service of at least 70, \$125 per month will be paid by the County towards health care coverage. This benefit expires 10 years after retirement date. During 2006 four employees had retired who were eligible for these benefits. The cost of these benefits is recognized when paid. For 2006, those costs approximated \$6,000. No other general County employees are eligible for these benefits.

DISCRETE COMPONENT UNIT - The Road Commission provides post retirement health care benefits to all employees who retire from the Road Commission. Any employee retiring after 7/1/89, who has completed at least ten years of service and is eligible for retirement will have \$150 per month contributed towards the employee and spouse coverage. Effective for retirees retiring after July 1, 1999 the Commission contribution will be \$200 per month and effective July 1, 2002 \$250 per month. There were 20 employees receiving benefits with an approximate annual cost of \$42,000

**ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006**

**NOTE 11- RISK MANAGEMENT**

PRIMARY GOVERNMENT - The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. Following is a summary of these self-insurance programs and risk management pool participation.

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverage. The MMRMA was established in January 1980, pursuant to laws of the State of Michigan which authorize local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the Authority is to provide cooperative and comprehensive risk financing and risk control services. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the general fund (i.e., the Insurance Fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs. The County is a State pool member and has deductibles that differ for each type of coverage.

Employee Benefits-Commercial Insurance Provider-Workers' Compensation

The County is a member of the Michigan Counties Workers' Compensation Fund. Full statutory coverage for worker's disability compensation and employers' liability is guaranteed by the fund for Michigan operations through authority granted by the State of Michigan under Chapter 6, Section 418.611.

At December 31, 2006, there were no claims that exceeded insurance coverage. The County had no significant reduction in insurance coverage from previous years.

ANTRIM COUNTY TRANSPORTATION

This enterprise fund is covered under the County policies for all risk except that associated with the vehicle fleet. That risk is covered by membership in the Michigan Transit Pool which is an insurance pool established pursuant to the laws of the State of Michigan

MEADOW BROOK MEDICAL CARE FACILITY

The Facility is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Facility has purchased commercial insurance workers' compensation claims, and participates in the County's insurance plan with the Michigan Municipal Risk Management risk pool for claims relating to general and auto liability, including malpractice, auto physical damage and property loss claims.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums paid annually to the Authority are used to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

**ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006**

**NOTE 11- RISK MANAGEMENT (CONTINUED)**

DISCRETE COMPONENT UNIT - Antrim County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan that authorize contracts between Municipal Corporations (inter-local agreements) to form group self-insurance pools.

The Pool was established for the purpose of making a self-insurance pooling program available that includes, but is not limited to, general liability coverage, vehicle liability coverage, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Antrim County Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, vehicle and equipment liability, bodily injury, property damage and personal injury liability. The Pool agreement provides that it shall be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance based upon limits determined by the Pool Board of Directors.

The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

**NOTE 12 – LITIGATION**

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted claims and assessments. Although other actions have been brought, the County has not experienced any additional significant losses or costs. It is the County's opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

**NOTE 13 – REVENUE SHARING RESERVE FUND / TAX LEVY**

During 2004 the State of Michigan enacted legislation creating the Revenue Sharing Reserve Fund. All Michigan counties are required to set up the fund which will be used to accumulate an additional tax levy which will, over a three year period amount to the 2004 total general operating levy. The county tax levy was previously collected between December and February and will, over the three year period, be switched to July through September. The funds can be transferred annually for general operational use based upon a State mandated amount. The effect is to collect one year's tax in advance of previous collections. These funds will be used to offset the loss of State Revenue Sharing. In effect, a previous State obligation has been transferred to the local taxpayers.

The fund recorded taxes as of December 31, 2006 as revenue, in accordance with State mandated guidelines, which is a change in the way property taxes have previously been recognized. These financial statements include County general operating taxes equal to 1 1/3 years levy which reports \$2,308,622 more taxes than if the previous method of recording taxes had been consistently applied.

**ANTRIM COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2006**

**NOTE 14 – SEGMENT INFORMATION**

The government issued revenue bonds to finance its hydroelectric project. The revenue bonds are secured by the operating revenues of the Elk Rapids Hydroelectric Fund provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power board. The activity is recorded in a major enterprise fund. Condensed financial information follows:

**Condensed Statement of Net Assets**

Assets	
Current Assets	\$ 279,286
Capital Assets	<u>203,006</u>
Total Assets	<u>482,292</u>
Liabilities	
Current Liabilities (including current portion of long-term debt)	30,827
Non current Liabilities	<u>165,000</u>
Total Liabilities	<u>195,827</u>
Net Assets	
Invested in Capital Assets(net of related debt)	13,006
Unrestricted	<u>273,469</u>
Total Net Assets	<u>\$ 286,475</u>

**Condensed Statement of Revenue, Expenses, and Changes in Net Assets**

Charges for Services(pledged against bonds)	\$ 101,972
Depreciation Expense	(25,421)
Other Operating Expenses	<u>(29,956)</u>
Operating Income	46,595
Nonoperating Revenue (Expense)	
Investment Earnings	10,778
Interest Expense	<u>(10,617)</u>
Total Nonoperating Revenue/Expense	<u>161</u>
Changes in Net Assets	46,756
Beginning Net Assets	<u>239,719</u>
Ending Net Assets	<u>\$ 286,475</u>

**Condensed Statement of Cash Flows**

Net Cash Provided by (Used in)	
Operating Activities	\$ 65,797
Capital and Related Financing Activities	(40,617)
Investing Activities	<u>10,778</u>
Net Increase (Decrease)	35,958
Beginning Cash and Cash Equivalents	<u>211,384</u>
Ending Cash and Cash Equivalents	<u>\$ 247,342</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

ANTRIM COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET OVER/UNDER
	ORIGINAL	FINAL		
REVENUES				
Taxes and Penalties	\$ 9,019,066	\$ 9,704,066	\$ 8,380,725	\$ (1,323,341)
Licenses and Permits	148,700	152,600	144,066	(8,534)
Intergovernmental Revenue:				
Federal	59,916	79,916	90,532	10,616
State	745,301	844,181	714,113	(130,068)
Charges for Services	1,395,585	1,597,310	1,479,974	(117,336)
Fines and Forfeits	5,000	5,000	4,325	(675)
Interest and Rents	315,200	486,500	455,879	(30,621)
Other Revenue	<u>196,375</u>	<u>305,825</u>	<u>291,047</u>	<u>(14,778)</u>
 TOTAL REVENUES	 <u>11,885,143</u>	 <u>13,175,398</u>	 <u>11,560,661</u>	 <u>(1,614,737)</u>
EXPENDITURES				
Current				
Legislative	151,438	151,721	143,551	8,170
Judicial	1,791,552	1,821,151	1,637,388	183,763
General Government	3,915,843	4,106,624	3,392,823	713,801
Public Safety	3,038,344	3,106,022	2,937,309	168,713
Public Works	6,132	6,271	973	5,298
Health and Welfare	536,871	574,886	540,308	34,578
Community/Economic Development	313,301	342,217	323,782	18,435
Recreation and Culture	278,879	298,825	266,974	31,851
Capital Outlay	<u>267,704</u>	<u>230,810</u>	<u>371,611</u>	<u>(140,801)</u>
 TOTAL EXPENDITURES	 <u>10,300,064</u>	 <u>10,638,527</u>	 <u>9,614,719</u>	 <u>1,023,808</u>
 REVENUES OVER (UNDER) EXPENDITURES	 <u>1,585,079</u>	 <u>2,536,871</u>	 <u>1,945,942</u>	 <u>(590,929)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Lease Purchase	-	-	189,750	189,750
Transfers In	8,000	61,000	53,002	(7,998)
Transfers (Out)	<u>(1,664,249)</u>	<u>(1,909,677)</u>	<u>(1,585,288)</u>	<u>324,389</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,656,249)</u>	 <u>(1,848,677)</u>	 <u>(1,342,536)</u>	 <u>316,391</u>
 REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	  (71,170)	  688,194	  603,406	  (274,538)
 FUND BALANCES, BEGINNING OF YEAR	 <u>800,000</u>	 <u>970,218</u>	 <u>1,846,124</u>	 <u>875,906</u>
 FUND BALANCES, END OF YEAR	 <u>\$ 728,830</u>	 <u>\$ 1,658,412</u>	 <u>\$ 2,449,530</u>	 <u>\$ 601,368</u>

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	OVER (UNDER)
<b>TAXES AND PENALTIES</b>				
Current Property Taxes	\$ 8,727,466	\$ 8,972,266	\$ 7,769,956	\$ (1,202,310)
Other	291,600	731,800	610,769	(121,031)
<b>TOTAL TAXES AND PENALTIES</b>	<u>9,019,066</u>	<u>9,704,066</u>	<u>8,380,725</u>	<u>(1,323,341)</u>
<b>LICENSES AND PERMITS</b>				
Dog and Kennel Licenses	11,200	10,500	8,261	(2,239)
Gun Permits	6,500	6,500	1,622	(4,878)
Marriage Licenses	1,000	1,500	1,260	(240)
Park Camping Permits and Fees	105,000	109,200	108,379	(821)
Earthchange	25,000	25,000	24,544	(456)
<b>TOTAL LICENSES AND PERMITS</b>	<u>148,700</u>	<u>152,600</u>	<u>144,066</u>	<u>(8,634)</u>
<b>FEDERAL GRANTS</b>				
Emergency Services	9,916	9,916	9,568	(348)
Marine Safety	-	-	10,000	
Prosecuting Attorney Cooperative Reimbursement	50,000	70,000	70,964	964
<b>TOTAL FEDERAL GRANTS</b>	<u>59,916</u>	<u>79,916</u>	<u>90,532</u>	<u>616</u>
<b>STATE GRANTS</b>				
Probate Judges Salary	184,000	184,900	147,788	(37,112)
Salary Standardization	65,000	65,500	42,774	(22,726)
Court Equity Distribution	134,000	134,000	123,609	(10,391)
Food Stamp Fraud	500	500	-	(500)
Secondary Road Patrol	53,000	62,000	68,074	6,074
Township Liquor Licenses	8,000	9,300	9,270	(30)
Probate Public Guardians	-	5,500	760	(4,740)
Drug Case	500	500	453	(47)
Marine Safety	22,000	61,000	60,963	(37)
Voters Registration	500	500	704	204
Juvenile Officer	30,000	40,000	27,317	(12,683)
Substance Abuse Testing	14,000	14,000	14,981	981
Cigarette Tax	13,569	13,649	13,649	-
MDOC Diverted Felons	1,000	3,000	3,936	936
Convention Facilities	136,232	136,232	135,945	(287)
Survey and Remonumentation	30,000	52,600	22,985	(29,615)
Juror Compensation Reimbursement	8,000	8,000	4,305	(3,695)
Victim's Rights	45,000	53,000	36,600	(16,400)
<b>TOTAL STATE GRANTS</b>	<u>745,301</u>	<u>844,181</u>	<u>714,113</u>	<u>(130,068)</u>

(Continued)

See Notes to Financial Statements



ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR SERVICES				
Circuit/Family Court Costs	\$ 30,000	\$ 30,000	\$ 21,959	\$ (8,041)
Circuit/Family Court Fees	36,775	47,100	36,140	(10,960)
District Court Costs	250,000	360,000	352,219	(7,781)
District Court Bond Fees	5,000	6,000	6,100	100
District Court Oversight Fees	31,000	34,000	25,597	(8,403)
District Court Civil Fees	13,000	29,500	26,535	(2,965)
District Court Ordinance Fees	61,000	61,000	40,097	(20,903)
Probate Court Services	8,000	12,600	12,564	(36)
Clerk - Certified Copies	9,500	9,500	7,392	(2,108)
Clerk - Passports	7,000	8,350	8,310	(40)
Clerk - Assumed Names	6,000	6,000	4,611	(1,389)
Clerk - Notary Fees	610	610	476	(134)
Clerk - Current Services	7,250	7,550	5,581	(1,969)
Child Care - Collection Fee	25,000	15,000	11,968	(3,032)
Abstract Services	65,000	91,700	89,486	(2,214)
Copying Services	13,000	14,800	14,448	(352)
Treasurer Services	4,650	4,650	3,347	(1,303)
Register of Deeds Services	332,300	264,400	262,859	(1,541)
Register Transfer Tax	174,000	184,700	184,688	(12)
Sheriff Services	53,900	90,450	84,016	(6,434)
Animal Control	5,500	6,200	3,545	(2,655)
Airport - Fuel Sales	200,000	225,000	201,307	(23,693)
Airport - Hangar Rent	17,000	17,000	13,930	(3,070)
Airport - Current Services	19,300	29,300	28,058	(1,242)
Jail - Drug Testing/Medical	20,000	41,000	34,216	(6,784)
Miscellaneous	800	900	525	(375)
TOTAL CHARGES FOR SERVICES	<u>1,395,585</u>	<u>1,597,310</u>	<u>1,479,974</u>	<u>(117,336)</u>
FINES & FORFEITURES				
District Bond Forfeit	<u>5,000</u>	<u>5,000</u>	<u>4,325</u>	<u>(675)</u>
TOTAL FINES AND FORFEITURES	<u>5,000</u>	<u>5,000</u>	<u>4,325</u>	<u>(675)</u>
INTEREST EARNED	90,200	260,500	260,159	(341)
RENTS	225,000	226,000	195,720	(30,280)
OTHER REVENUE				
Prisoner Board	20,000	20,000	13,817	(6,183)
Township and Village Computer	60,000	86,000	77,250	(8,750)
Miscellaneous Refunds and Reimbursements	97,375	119,825	120,038	213
Insurance	<u>19,000</u>	<u>80,000</u>	<u>79,942</u>	<u>(58)</u>
TOTAL OTHER REVENUE	<u>196,375</u>	<u>305,825</u>	<u>291,047</u>	<u>(14,778)</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNT</u>			<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u>
TOTAL OTHER REVENUE	<u>\$ 11,885,143</u>	<u>\$ 13,175,398</u>	<u>\$ 11,560,661</u>	<u>\$ (1,624,837)</u>
OTHER FINANCING SOURCES				
Proceeds from Financing				
Equipment Lease	-	-	189,750	189,750
Operating Transfers In:				
Capital Outlay Reserve	3,000	36,000	33,000	(3,000)
Wetzel Lake Operating	-	-	2	2
Meadowview Senior Housing	5,000	5,000	-	(5,000)
Commission on Aging	-	20,000	20,000	-
TOTAL OTHER FINANCING SOURCES	<u>8,000</u>	<u>61,000</u>	<u>242,752</u>	<u>(7,998)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 11,893,143</u>	<u>\$ 13,236,398</u>	<u>\$ 11,803,413</u>	<u>\$ (1,632,835)</u>

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER)UNDER
LEGISLATIVE				
Board of Commissioners	\$ 151,438	\$ 151,721	\$ 143,551	\$ 8,170
TOTAL LEGISLATIVE	151,438	151,721	143,551	8,170
JUDICIAL				
Circuit Court	350,000	350,000	317,085	32,915
Family Court	428,383	430,198	401,507	28,691
Circuit Court Probation	4,875	5,815	3,818	1,997
District Court	549,933	571,933	478,742	93,191
Friend of Court	75,000	75,000	75,334	(334)
Probate Court	218,213	219,597	210,638	8,959
Jury Commission	5,800	5,800	2,996	2,804
Insurance	65,714	69,055	59,584	9,471
Fringe Benefits	93,634	93,753	87,684	6,069
TOTAL JUDICIAL	1,791,552	1,821,151	1,637,388	183,763
GENERAL GOVERNMENT				
Budget/Accounting Services	53,847	54,154	38,956	15,198
Clerk	193,632	204,534	201,614	2,920
Communications Department	130,650	130,650	119,790	10,860
Computer	174,200	287,431	182,855	104,576
Purchasing	38,962	39,095	37,117	1,978
Treasurer	177,748	184,633	171,961	12,672
Equalization	152,303	160,937	148,846	12,091
MSU Extension	99,000	101,440	94,723	6,717
Elections	45,300	45,300	42,707	2,593
Grove Street Annex	13,800	13,800	9,962	3,838
'05 Courthouse	84,888	91,906	88,555	3,351
County Building and Grounds	274,415	291,711	287,647	4,064
Prosecuting Attorney	309,458	329,882	308,840	21,042
Register of Deeds	137,933	146,293	144,572	1,721
Microfilm	17,150	17,150	9,316	7,834
Plat Board	250	250	-	250
Victims' Rights	51,133	52,711	50,472	2,239
Prosecuting Attorney Child Support IVD	51,436	63,428	57,978	5,450
Drain Commissioner	10,122	11,733	10,675	1,058
Abstract	86,646	91,908	87,753	4,155
Survey and Remonumentation	30,000	58,000	57,226	774
Airport	329,485	364,708	358,591	6,117
Insurance	113,277	119,036	102,711	16,325
Fringe Benefits	760,964	761,921	712,606	49,315
Other	579,244	484,013	67,350	416,663
TOTAL GENERAL GOVERNMENT	3,915,843	4,106,624	3,392,823	713,801

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER)UNDER
PUBLIC SAFETY				
Sheriff	\$ 1,357,453	\$ 1,374,177	\$ 1,314,491	\$ 59,686
Marine Safety	76,750	90,750	70,134	20,616
Secondary Road Patrol	145,272	149,272	145,361	3,911
Jail	333,199	354,361	348,939	5,422
Emergency Services	43,112	45,114	42,488	2,626
Gun Board	1,000	1,000	101	899
Animal Control	106,487	110,546	99,613	10,933
Insurance	93,212	97,950	84,517	13,433
Fringe Benefits	789,859	790,852	739,665	51,187
Other	92,000	92,000	92,000	-
TOTAL PUBLIC SAFETY	3,038,344	3,106,022	2,937,309	168,713
PUBLIC WORKS				
Dams	6,132	6,271	973	5,298
TOTAL PUBLIC WORKS	6,132	6,271	973	5,298
HEALTH AND WELFARE				
Health Department/Mental Health/Medical Examiner	468,354	504,402	474,529	29,873
Agency on Aging	3,819	3,819	3,819	-
Welfare	13,000	13,230	12,928	302
Veterans' Affairs	18,419	18,999	18,536	463
Insurance	22,489	23,633	20,392	3,241
Fringe Benefits	10,790	10,803	10,104	699
TOTAL HEALTH AND WELFARE	536,871	574,886	540,308	34,578
COMMUNITY/ECONOMIC DEVELOPMENT				
Resource Recovery	27,650	31,110	28,028	3,082
Planning Commission	23,670	33,670	31,114	2,556
Planner/Coordinator	161,127	175,949	174,192	1,757
EDC	3,650	3,650	712	2,938
Insurance	10,336	10,861	8,388	2,473
Fringe Benefits	86,868	86,977	81,348	5,629
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT	313,301	342,217	323,782	18,435
RECREATION AND CULTURE				
Parks Commission	4,800	6,800	4,315	2,485
Parks	184,388	201,799	176,445	25,354
Parks - Elk Rapids	8,234	8,234	7,891	343
Insurance	9,251	9,721	9,371	350
Fringe Benefits	51,206	51,271	47,952	3,319
Other	21,000	21,000	21,000	-
TOTAL RECREATION AND CULTURE	278,879	298,825	266,974	31,851

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER)UNDER
CAPITAL OUTLAY	\$ 267,704	\$ 230,810	\$ 371,611	\$ (140,801)
TOTAL EXPENDITURES	10,300,064	10,638,527	9,614,719	1,023,808
OPERATING TRANSFERS				
Grass River	46,000	46,000	46,000	-
Capital Outlay Reserve	100,000	200,000	200,000	-
Self-Insured Reserve	200,000	200,000	200,000	-
Law Library	20,000	20,000	15,000	5,000
Petoskey Stone Festival	-	200	200	-
Construction Code	-	75,500	75,500	-
Information Technology Transition	-	28,000	28,000	-
Road Patrol	443,839	443,839	411,000	32,839
Grant Match	200,000	200,000	200,000	-
Snowmobile Fund	1,150	1,150	1,150	-
Housing	25,000	25,000	23,710	1,290
Child Care	387,260	387,260	125,000	262,260
Veterans Relief	45,000	45,000	22,000	23,000
Commission on Aging	-	40,000	40,000	-
County Buildings and Structures	100,000	101,728	101,728	-
Transportation	96,000	96,000	96,000	-
TOTAL OPERATING TRANSFERS	1,664,249	1,909,677	1,585,288	324,389
TOTAL EXPENDITURES AND OPERATING TRANSFERS	\$ 11,964,313	\$ 12,548,204	\$ 11,200,007	\$ 1,348,197

See Notes to Financial Statements

ANTRIM COUNTY  
REVENUE SHARING RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 2,338,371	\$ 2,338,371	\$ 2,308,622	\$ (29,749)
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	20,000	20,000	6,923	(13,077)
Other Revenue	-	-	-	-
TOTAL REVENUES	<u>2,358,371</u>	<u>2,358,371</u>	<u>2,315,545</u>	<u>(42,826)</u>
EXPENDITURES				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,358,371</u>	<u>2,358,371</u>	<u>2,315,545</u>	<u>(42,826)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	<u>(388,526)</u>	<u>(789,873)</u>	<u>(401,347)</u>	<u>388,526</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(388,526)</u>	<u>(789,873)</u>	<u>(401,347)</u>	<u>388,526</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,969,845	1,568,498	1,914,198	345,700
FUND BALANCES, BEGINNING OF YEAR	<u>11,785,500</u>	<u>4,087,149</u>	<u>4,087,148</u>	<u>(1)</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,755,345</u>	<u>\$ 5,655,647</u>	<u>\$ 6,001,346</u>	<u>\$ 345,699</u>

See Notes to Financial Statements

## **OTHER SUPPLEMENTARY INFORMATION**

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	SOLID WASTE RESERVE	VICTIMS' RIGHTS RESERVE	CAPITAL OUTLAY RESERVE	DAMS RESERVE
<b>ASSETS</b>				
Cash	\$ 116,495	\$ 8,480	\$ 226,786	\$ 652,573
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 116,495</b>	<b>\$ 8,480</b>	<b>\$ 226,786</b>	<b>\$ 652,573</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Reserved	-	8,480	-	-
Unreserved	116,495	-	226,786	652,573
<b>TOTAL FUND BALANCES</b>	<b>116,495</b>	<b>8,480</b>	<b>226,786</b>	<b>652,573</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 116,495</b>	<b>\$ 8,480</b>	<b>\$ 226,786</b>	<b>\$ 652,573</b>

See Notes to Financial Statements



SPECIAL REVENUE FUNDS						
GAS AND OIL ROYALTIES RESERVE	BARNES PARK GRANT RESERVE	GRANT MATCH RESERVE	ANTRIM CONSERVATION DISTRICT RESERVE	SPECIAL PROJECTS RESERVE	FRIEND OF COURT	PROSECUTING ATTORNEY LEGAL
\$ 55,169	\$ -	\$ 243,698	\$ 51,421	\$ 361,334	\$ -	\$ 514
-	-	-	-	-	-	-
-	-	-	-	-	-	-
251	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>55,420</u>	<u>-</u>	<u>243,698</u>	<u>51,421</u>	<u>361,334</u>	<u>-</u>	<u>514</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>55,420</u>	<u>-</u>	<u>243,698</u>	<u>51,421</u>	<u>361,334</u>	<u>-</u>	<u>514</u>
<u>55,420</u>	<u>-</u>	<u>243,698</u>	<u>51,421</u>	<u>361,334</u>	<u>-</u>	<u>514</u>
<u>\$ 55,420</u>	<u>\$ -</u>	<u>\$ 243,698</u>	<u>\$ 51,421</u>	<u>\$ 361,334</u>	<u>\$ -</u>	<u>\$ 514</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	BELLAIRE DAM SPECIAL ASSESSMENT	INFORMATION TECHNOLOGY TRANSITION	GRASS RIVER	ANIMAL CONTROL DONATIONS
ASSETS				
Cash	\$ 27,031	\$ 28,368	\$ 103,972	\$ 11,570
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 27,031</b>	<b>\$ 28,368</b>	<b>\$ 103,972</b>	<b>\$ 11,570</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 789	\$ 110
Accrued Liabilities	-	-	2,201	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>2,990</b>	<b>110</b>
FUND BALANCE				
Reserved	-	-	-	11,460
Unreserved	27,031	28,368	100,982	-
<b>TOTAL FUND BALANCES</b>	<b>27,031</b>	<b>28,368</b>	<b>100,982</b>	<b>11,460</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 27,031</b>	<b>\$ 28,368</b>	<b>\$ 103,972</b>	<b>\$ 11,570</b>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

FORESTRY	PETOSKEY STONE FESTIVAL	ANTRIM CREEK NORCROSS GRANT	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND
\$ 181,129	\$ 202	\$ -	\$ 61,949	\$ 585	\$ 179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 181,129</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ 61,949</u>	<u>\$ 585</u>	<u>\$ 179</u>
\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>178,129</u>	<u>202</u>	<u>-</u>	<u>61,949</u>	<u>585</u>	<u>179</u>
<u>178,129</u>	<u>202</u>	<u>-</u>	<u>61,949</u>	<u>585</u>	<u>179</u>
<u>\$ 181,129</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ 61,949</u>	<u>\$ 585</u>	<u>\$ 179</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	WETZEL LAKE OPERATING	BARNES PARK GRANT 04-06	GIS IMPLEMEN- TATION	AIRPORT DONATIONS LANDSCAPING
ASSETS				
Cash	\$ -	\$ (19,195)	\$ 14,479	\$ 3
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	25	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	23,540	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 4,345</b>	<b>\$ 14,504</b>	<b>\$ 3</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 3,748	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>3,748</b>	<b>-</b>	<b>-</b>
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	-	597	14,504	3
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>597</b>	<b>14,504</b>	<b>3</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 4,345</b>	<b>\$ 14,504</b>	<b>\$ 3</b>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

EDC REVOLVING	CONSTRUCTION CODE ENFORCE- MENT	ROAD PATROL	EMERGENCY SERVICES TOTAL GRANT 2005	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION
\$ 2,737	\$ 102,021	\$ 41,128	\$ 156	\$ 43,560	\$ 86,190
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,737</u>	<u>102,021</u>	<u>41,128</u>	<u>156</u>	<u>43,560</u>	<u>86,190</u>
\$ -	\$ 7,087	\$ 3,050	\$ -	\$ -	\$ 10,633
-	15,588	16,702	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>22,675</u>	<u>19,752</u>	-	-	<u>10,633</u>
-	79,346	-	-	-	75,557
<u>2,737</u>	<u>-</u>	<u>21,376</u>	<u>156</u>	<u>43,560</u>	<u>-</u>
<u>2,737</u>	<u>79,346</u>	<u>21,376</u>	<u>156</u>	<u>43,560</u>	<u>75,557</u>
<u>\$ 2,737</u>	<u>\$ 102,021</u>	<u>\$ 41,128</u>	<u>\$ 156</u>	<u>\$ 43,560</u>	<u>\$ 86,190</u>

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	BUDGET STABILIZATION	911 TRAINING	E-911 OPERATING	E-911 WIRELESS
ASSETS				
Cash	\$ 416,436	\$ 11,776	\$ 565,334	\$ 144,719
Investments	187,271	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	43,120	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	27,346
TOTAL ASSETS	<u>\$ 603,707</u>	<u>\$ 11,776</u>	<u>\$ 608,454</u>	<u>\$ 172,065</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 6,082	\$ 2,314
Accrued Liabilities	-	-	17,136	477
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>23,218</u>	<u>2,791</u>
FUND BALANCE				
Reserved	-	-	585,236	169,274
Unreserved	<u>603,707</u>	<u>11,776</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>603,707</u>	<u>11,776</u>	<u>585,236</u>	<u>169,274</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 603,707</u>	<u>\$ 11,776</u>	<u>\$ 608,454</u>	<u>\$ 172,065</u>

See Notes to Financial Statements

**SPECIAL REVENUE FUNDS**

<u>DRIVING INTOXICATED</u>	<u>LOCAL CORRECTIONS OFFICER TRAINING</u>	<u>JAIL INMATE PROCEEDS</u>	<u>MICHIGAN JUSTICE TRAINING</u>	<u>LAW LIBRARY</u>	<u>MMRA CAMERA GRANT</u>
\$ 58	\$ 17,330	\$ 10,702	\$ 2,324	\$ 2,183	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,681	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>58</u>	<u>17,330</u>	<u>12,383</u>	<u>2,324</u>	<u>2,183</u>	<u>-</u>
\$ 58	\$ 17,330	\$ 12,383	\$ 2,324	\$ 2,183	\$ -
-	-	1,843	-	1,623	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,843	-	1,623	-
-	-	-	-	-	-
<u>58</u>	<u>17,330</u>	<u>10,540</u>	<u>2,324</u>	<u>560</u>	<u>-</u>
<u>58</u>	<u>17,330</u>	<u>10,540</u>	<u>2,324</u>	<u>560</u>	<u>-</u>
<u>58</u>	<u>17,330</u>	<u>12,383</u>	<u>2,324</u>	<u>2,183</u>	<u>-</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	AIRPORT SPECIAL PROJECTS	HOUSING PROJECT INCOME	HOUSING 03/04 CDBG GRANT	SNOWMOBILE GRANT
ASSETS				
Cash	\$ -	\$ 8,534	\$ 339	\$ 17,375
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	1,769,322	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>1,777,856</b>	<b>339</b>	<b>17,375</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 707
Accrued Liabilities	-	-	-	84
Due to Other Funds	-	4,751	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	1,769,322	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,774,073</b>	<b>-</b>	<b>791</b>
FUND BALANCE				
Reserved	-	3,783	339	-
Unreserved	-	-	-	16,584
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>3,783</b>	<b>339</b>	<b>16,584</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 1,777,856</b>	<b>\$ 339</b>	<b>\$ 17,375</b>

See Notes to Financial Statements



**SPECIAL REVENUE FUNDS**

HOUSING CDBG 2005-06	CLEAN LAKES GRANT	EMERGENCY SERVICES 06 SUPPLEMENT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT	HOMEBUYERS PURCHASE REHAB 04-05
\$ 92	\$ 7,054	\$ -	\$ (2,213)	\$ 849	\$ 669
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,751
-	-	-	-	-	-
<u>92</u>	<u>7,054</u>	<u>-</u>	<u>(2,213)</u>	<u>849</u>	<u>5,420</u>
\$ 4,259	\$ -	\$ -	\$ -	\$ -	\$ 51
-	-	-	554	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,259</u>	<u>-</u>	<u>-</u>	<u>554</u>	<u>-</u>	<u>51</u>
(4,167)	-	-	(2,767)	849	5,369
<u>-</u>	<u>7,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,167)</u>	<u>7,054</u>	<u>-</u>	<u>(2,767)</u>	<u>849</u>	<u>5,369</u>
<u>\$ 92</u>	<u>\$ 7,054</u>	<u>\$ -</u>	<u>\$ (2,213)</u>	<u>\$ 849</u>	<u>\$ 5,420</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	CHILD CARE	SOLDIERS RELIEF	VETERAN'S TRUST	SERVICES FOR AGED
<b>ASSETS</b>				
Cash	\$ 43,341	\$ 1,553	\$ 763	\$ 15,462
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	612,456
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	<u>25,335</u>	<u>-</u>	<u>-</u>	<u>1,048</u>
<b>TOTAL ASSETS</b>	<u>\$ 68,676</u>	<u>\$ 1,553</u>	<u>\$ 763</u>	<u>\$ 628,966</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 33,059	\$ -	\$ -	\$ 24,366
Accrued Liabilities	-	-	-	12,666
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	3,799	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,456</u>
<b>TOTAL LIABILITIES</b>	<u>36,858</u>	<u>-</u>	<u>-</u>	<u>649,488</u>
<b>FUND BALANCE</b>				
Reserved	-	-	-	-
Unreserved	<u>31,818</u>	<u>1,553</u>	<u>763</u>	<u>(20,522)</u>
<b>TOTAL FUND BALANCES</b>	<u>31,818</u>	<u>1,553</u>	<u>763</u>	<u>(20,522)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 68,676</u>	<u>\$ 1,553</u>	<u>\$ 763</u>	<u>\$ 628,966</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			
MEADOW VIEW SENIOR HOUSING	SELF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE	ELK RAPIDS FISH PARK CAPITAL PROJECT	BUILDINGS & STRUCTURES CAPITAL PROJECT		TOTAL
\$ 78,009	\$ 153,734	\$ 1,455	\$ 7,814	\$ 264,161	\$	4,172,387
-	-	9,000	-	-		196,271
-	-	-	-	-		612,456
-	-	-	-	-		45,077
-	-	-	-	-		1,769,322
-	-	-	-	-		4,751
-	-	-	-	-		77,269
<u>\$ 78,009</u>	<u>\$ 153,734</u>	<u>\$ 10,455</u>	<u>\$ 7,814</u>	<u>\$ 264,161</u>	<u>\$</u>	<u>6,877,533</u>
\$ 5,978	\$ -	\$ -	\$ -	\$ 5,329		114,028
3,800	-	-	-	-		69,208
-	-	-	-	-		4,751
-	-	-	-	-		3,799
-	-	-	-	-		-
-	-	-	-	-		2,381,778
<u>9,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,329</u>		<u>2,573,564</u>
-	-	10,455	7,814	258,832		1,209,860
<u>68,231</u>	<u>153,734</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>3,094,109</u>
<u>68,231</u>	<u>153,734</u>	<u>10,455</u>	<u>7,814</u>	<u>258,832</u>		<u>4,303,969</u>
<u>\$ 78,009</u>	<u>\$ 153,734</u>	<u>\$ 10,455</u>	<u>\$ 7,814</u>	<u>\$ 264,161</u>	<u>\$</u>	<u>6,877,533</u>

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	SOLID WASTE RESERVE	VICTIMS' RIGHTS RESERVE	CAPITAL OUTLAY RESERVE	DAMS RESERVE
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	5,334	389	4,156	29,879
Other Revenue	-	-	-	-
TOTAL REVENUES	<u>5,334</u>	<u>389</u>	<u>4,156</u>	<u>29,879</u>
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,334</u>	<u>389</u>	<u>4,156</u>	<u>29,879</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	200,000	-
Transfers (Out)	-	-	(34,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>165,500</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,334	389	169,656	29,879
FUND BALANCES, BEGINNING OF YEAR	<u>111,161</u>	<u>8,091</u>	<u>57,130</u>	<u>622,694</u>
FUND BALANCES, END OF YEAR	<u>\$ 116,495</u>	<u>\$ 8,480</u>	<u>\$ 226,786</u>	<u>\$ 652,573</u>

See Notes to Financial Statements

**SPECIAL REVENUE FUNDS**

<u>GAS AND OIL ROYALTIES RESERVE</u>	<u>BARNES PARK GRANT RESERVE</u>	<u>GRANT MATCH RESERVE</u>	<u>ANTRIM CONSERVATION DISTRICT RESERVE</u>	<u>SPECIAL PROJECTS RESERVE</u>	<u>FRIEND OF COURT FUND</u>	<u>PROSECUTING ATTORNEY LEGAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,270	-
-	-	-	-	-	-	-
9,000	-	-	1,421	9,987	-	24
<u>29,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>38,265</u>	<u>-</u>	<u>-</u>	<u>1,421</u>	<u>9,987</u>	<u>4,270</u>	<u>24</u>
-	-	-	-	-	4,270	-
-	-	-	-	-	-	35
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>23,826</u>	<u>-</u>	<u>22,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,826</u>	<u>-</u>	<u>22,330</u>	<u>-</u>	<u>-</u>	<u>4,270</u>	<u>35</u>
<u>14,439</u>	<u>-</u>	<u>(22,330)</u>	<u>1,421</u>	<u>9,987</u>	<u>-</u>	<u>(11)</u>
-	-	200,019	50,000	351,347	-	-
<u>-</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(19)</u>	<u>200,019</u>	<u>50,000</u>	<u>351,347</u>	<u>-</u>	<u>-</u>
14,439	(19)	177,689	51,421	361,334	-	(11)
<u>40,981</u>	<u>19</u>	<u>66,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525</u>
<u>\$ 55,420</u>	<u>\$ -</u>	<u>\$ 243,698</u>	<u>\$ 51,421</u>	<u>\$ 361,334</u>	<u>\$ -</u>	<u>\$ 514</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	BELLAIRE DAM SPECIAL ASSESSMENT	INFORMATION TECHNOLOGY TRANSITION	GRASS RIVER
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	-	-	100,000
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	1,514	368	798
Other Revenue	-	-	-
TOTAL REVENUES	<u>1,514</u>	<u>368</u>	<u>100,798</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	6,035	-	-
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreation and Cultural	-	-	58,813
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	-	101,375
TOTAL EXPENDITURES	<u>6,035</u>	<u>-</u>	<u>160,188</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,521)</u>	<u>368</u>	<u>(59,390)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	28,000	147,375
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>28,000</u>	<u>147,375</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,521)	28,368	87,985
FUND BALANCES, BEGINNING OF YEAR	<u>31,552</u>	<u>-</u>	<u>12,997</u>
FUND BALANCES, END OF YEAR	<u>\$ 27,031</u>	<u>\$ 28,368</u>	<u>\$ 100,982</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

ANIMAL CONTROL DONATIONS	FORESTRY	PETOSKEY STONE FESTIVAL	ANTRIM CREEK NORCORSS GRANT	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	109,917	-	-	-	-	-
-	-	-	-	-	-	-
539	7,536	2	-	2,890	26	31
<u>1,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154</u>	<u>150</u>
<u>2,331</u>	<u>117,453</u>	<u>2</u>	<u>-</u>	<u>2,890</u>	<u>1,180</u>	<u>181</u>
-	-	-	-	-	-	-
-	85,633	-	-	-	-	-
1,509	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,026	1,151	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,509</u>	<u>85,633</u>	<u>-</u>	<u>-</u>	<u>2,026</u>	<u>1,151</u>	<u>-</u>
<u>822</u>	<u>31,820</u>	<u>2</u>	<u>-</u>	<u>864</u>	<u>29</u>	<u>181</u>
-	-	200	-	624	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(624)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>200</u>	<u>(624)</u>	<u>624</u>	<u>-</u>	<u>-</u>
822	31,820	202	(624)	1,488	29	181
<u>10,638</u>	<u>146,309</u>	<u>-</u>	<u>624</u>	<u>60,461</u>	<u>556</u>	<u>(2)</u>
<u>\$ 11,460</u>	<u>\$ 178,129</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ 61,949</u>	<u>\$ 585</u>	<u>\$ 179</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	WETZEL LAKE OPERATING	BARNES PARK GRANT 04-06	GIS IMPLEMENTA- TION
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	-	99,404	-
Other Local Units	-	-	-
Charges for Services	-	-	1,867
Fines and Forfeits	-	-	-
Interest and Rents	-	-	672
Other Revenue	-	-	-
TOTAL REVENUES	-	99,404	2,539
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	2,209
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	114,287	-
TOTAL EXPENDITURES	-	114,287	2,209
REVENUES OVER (UNDER) EXPENDITURES	-	(14,883)	330
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	(2)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2)	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2)	(14,883)	330
FUND BALANCES, BEGINNING OF YEAR	2	15,480	14,174
FUND BALANCES, END OF YEAR	\$ -	\$ 597	\$ 14,504

See Notes to Financial Statements



**SPECIAL REVENUE FUNDS**

<b>AIRPORT DONATIONS LANDSCAPING</b>	<b>EDC REVOLVING</b>	<b>CONSTRUCTION CODE ENFORCE- MENT</b>	<b>ROAD PATROL</b>	<b>EMERGENCY SERVICES TOTAL GRANT 2006</b>	<b>HOMESTEAD PROPERTY TAX EXEMPTION</b>	<b>REGISTER OF DEEDS AUTOMATION</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	608,333	-	-	-	-
-	-	-	-	1,215	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	65,860
-	-	-	-	-	-	-
10	126	-	3,917	-	7,542	3,466
-	-	2,564	2,302	-	1,654	-
<u>10</u>	<u>126</u>	<u>610,897</u>	<u>6,219</u>	<u>1,215</u>	<u>9,196</u>	<u>69,326</u>
-	-	-	-	-	-	-
650	-	-	-	-	-	-
-	-	603,634	436,103	1,059	-	53,548
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>650</u>	<u>-</u>	<u>603,634</u>	<u>436,103</u>	<u>1,059</u>	<u>-</u>	<u>53,548</u>
(640)	126	7,263	(429,884)	156	9,196	15,778
-	-	77,000	411,000	-	-	-
-	-	-	-	-	-	-
-	-	77,000	411,000	-	-	-
(640)	126	84,263	(18,884)	156	9,196	15,778
<u>643</u>	<u>2,611</u>	<u>(4,917)</u>	<u>40,260</u>	<u>-</u>	<u>34,364</u>	<u>59,779</u>
<u>\$ 3</u>	<u>\$ 2,737</u>	<u>\$ 79,346</u>	<u>\$ 21,376</u>	<u>\$ 156</u>	<u>\$ 43,560</u>	<u>\$ 75,557</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET STABILIZATION	911 TRAINING	E-911 OPERATING
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	-	8,274	-
Other Local Units	-	-	-
Charges for Services	-	-	488,635
Fines and Forfeits	-	-	-
Interest and Rents	27,642	342	27,212
Other Revenue	-	-	2,661
TOTAL REVENUES	<u>27,642</u>	<u>8,616</u>	<u>518,508</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	2,228	567,598
Health and Welfare	-	-	-
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>2,228</u>	<u>567,598</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>27,642</u>	<u>6,388</u>	<u>(49,090)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	27,642	6,388	(49,090)
FUND BALANCES, BEGINNING OF YEAR	<u>576,065</u>	<u>5,388</u>	<u>634,326</u>
FUND BALANCES, END OF YEAR	<u>\$ 603,707</u>	<u>\$ 11,776</u>	<u>\$ 585,236</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

E-911 WIRELESS	DRIVING INTOXICATED	LOCAL CORRECTIONS OFFICER TRAINING	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING	LAW LIBRARY	MMRA CAMERA GRANT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
108,223	-	-	-	4,991	-	-
-	-	-	-	-	-	-
-	-	9,189	15,971	-	-	-
-	-	-	-	-	3,500	-
8,925	2	762	374	-	411	-
-	-	75	-	-	-	5,000
<u>117,148</u>	<u>2</u>	<u>10,026</u>	<u>16,345</u>	<u>4,991</u>	<u>3,911</u>	<u>5,000</u>
-	-	-	-	-	23,132	-
-	-	-	-	-	-	-
19,766	-	8,262	12,477	3,289	-	5,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>129,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>149,605</u>	<u>-</u>	<u>8,262</u>	<u>12,477</u>	<u>3,289</u>	<u>23,132</u>	<u>5,000</u>
<u>(32,457)</u>	<u>2</u>	<u>1,764</u>	<u>3,868</u>	<u>1,702</u>	<u>(19,221)</u>	<u>-</u>
-	-	-	-	-	15,000	-
-	-	-	-	-	-	-
-	-	-	-	-	15,000	-
(32,457)	2	1,764	3,868	1,702	(4,221)	-
<u>201,731</u>	<u>56</u>	<u>15,566</u>	<u>6,672</u>	<u>622</u>	<u>4,781</u>	<u>-</u>
<u>\$ 169,274</u>	<u>\$ 58</u>	<u>\$ 17,330</u>	<u>\$ 10,540</u>	<u>\$ 2,324</u>	<u>\$ 560</u>	<u>\$ -</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	AIRPORT SPECIAL PROJECTS	HOUSING PROJECT INCOME	HOUSING 03/04 CDBG GRANT
REVENUES			
Taxes	\$ -	\$ -	-
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	525,895	-	-
State	223,549	-	-
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	-	480	-
Other Revenue	-	115,229	-
TOTAL REVENUES	<u>749,444</u>	<u>115,709</u>	<u>-</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	-	-	142,694
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	<u>749,444</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>749,444</u>	<u>-</u>	<u>142,694</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>115,709</u>	<u>(142,694)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	138,469
Transfers (Out)	-	(115,645)	(550)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(115,645)</u>	<u>137,919</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	64	(4,775)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>3,719</u>	<u>5,114</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 3,783</u>	<u>\$ 339</u>

See Notes to Financial Statements

**SPECIAL REVENUE FUNDS**

<u>SNOWMOBILE GRANT</u>	<u>HOUSING CDBG 2006-06</u>	<u>CLEAN LAKES GRANT FUND</u>	<u>EMERGENCY SERVICES 06 SUPPLEMENT</u>	<u>PROBATE GRANT</u>	<u>EMERGENCY SERVICES LEPC GRANT</u>	<u>HOMEBUYERS PURCHASE REHAB 2004-05</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	107,034	-	21,953	-	232	68,982
12,702	-	-	-	-	-	-
-	-	-	-	3,029	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	323	-	-	-	-
-	-	-	-	-	-	-
<u>12,702</u>	<u>107,034</u>	<u>323</u>	<u>21,953</u>	<u>3,029</u>	<u>232</u>	<u>68,982</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,568	-	-	-	-	-	-
-	135,795	-	-	12,064	-	65,523
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,752</u>	<u>-</u>	<u>-</u>	<u>21,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,320</u>	<u>135,795</u>	<u>-</u>	<u>21,953</u>	<u>12,064</u>	<u>-</u>	<u>65,523</u>
<u>(1,618)</u>	<u>(28,761)</u>	<u>323</u>	<u>-</u>	<u>(9,035)</u>	<u>232</u>	<u>3,459</u>
1,150	1,436	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,150</u>	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(468)	(27,325)	323	-	(9,035)	232	3,459
<u>17,052</u>	<u>23,158</u>	<u>6,731</u>	<u>-</u>	<u>6,268</u>	<u>617</u>	<u>1,910</u>
<u>\$ 16,584</u>	<u>\$ (4,167)</u>	<u>\$ 7,054</u>	<u>\$ -</u>	<u>\$ (2,767)</u>	<u>\$ 849</u>	<u>\$ 5,369</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	CHILD CARE	SOLDIERS RELIEF	VETERAN'S TRUST
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	174,635	-	3,384
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	6,535	-	-
Other Revenue	<u>50,122</u>	<u>300</u>	<u>-</u>
TOTAL REVENUES	<u>231,292</u>	<u>300</u>	<u>3,384</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	397,140	29,167	3,137
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>397,140</u>	<u>29,167</u>	<u>3,137</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(165,848)</u>	<u>(28,867)</u>	<u>247</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	125,000	22,000	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>22,000</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(40,848)	(6,867)	247
FUND BALANCES, BEGINNING OF YEAR	<u>72,666</u>	<u>8,420</u>	<u>516</u>
FUND BALANCES, END OF YEAR	<u>\$ 31,818</u>	<u>\$ 1,553</u>	<u>\$ 763</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS		DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS		
SERVICES FOR AGED	MEADOW VIEW SENIOR HOUSING	SEF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE	ELK RAPIDS FISH PARK	BUILDINGS & STRUCTURES	TOTAL
\$ 578,442	\$ -	\$ -	\$ 27	\$ -	\$ -	\$ 578,469
-	-	-	-	-	-	608,333
95,557	-	-	-	-	-	820,868
44,913	-	-	-	-	-	780,075
-	-	-	-	-	-	3,029
235,301	-	-	-	-	-	931,010
-	-	-	-	-	-	3,500
20,830	117,458	4,378	399	358	21,336	327,394
14,925	2,251	-	-	-	12,177	241,621
989,968	119,709	4,378	426	358	33,513	4,294,299
-	-	-	-	-	-	27,402
-	-	-	-	-	32,864	127,426
-	-	-	-	-	-	1,721,041
955,969	128,045	-	-	-	-	1,869,534
-	-	-	-	-	-	61,990
-	-	-	-	-	-	-
-	-	-	-	-	-	-
52,580	-	-	-	-	311,488	1,534,874
1,008,549	128,045	-	-	-	344,352	5,342,267
(18,581)	(8,336)	4,378	426	358	(310,839)	(1,047,968)
40,000	-	200,000	-	-	101,728	2,110,348
(20,000)	-	(101,375)	-	-	-	(272,715)
20,000	-	98,625	-	-	101,728	1,837,633
1,419	(8,336)	103,003	426	358	(209,111)	789,665
(21,941)	76,567	50,731	10,029	7,456	467,943	3,514,304
\$ (20,522)	\$ 68,231	\$ 153,734	\$ 10,455	\$ 7,814	\$ 258,832	\$ 4,303,969

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 141,112
Investments	-
Receivables:	
Accounts	26,525
Taxes	-
Interest and Penalties	-
Due From Other Governments	6,002
Prepaid Expenses	6,450
Inventories	19,081
Capital Assets - Net	<u>384,340</u>
 TOTAL ASSETS	 <u>583,510</u>
 <b>LIABILITIES</b>	
Accounts Payable	46,352
Accrued Wages	11,304
Due to Other Funds	-
Due to Other Governments	-
Bonds Payable	-
Deferred Revenue	<u>-</u>
 TOTAL LIABILITIES, ALL CURRENT	 <u>57,656</u>
 <b>NET ASSETS</b>	
Investment in Capital Assets, Net of Related Debt	384,340
Unrestricted net assets	141,514
Restricted net assets	<u>-</u>
 TOTAL NET ASSETS	 <u>\$ 525,854</u>

See Notes to Financial Statements



ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
DECEMBER 31, 2006

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
OPERATING REVENUES	
Interest and Penalties on Taxes	\$ -
Charges for Services	335,084
Sale of Properties at Tax Auction	-
Other Income	<u>-</u>
TOTAL OPERATING REVENUES	<u>335,084</u>
OPERATING EXPENSES	
Salary Expense	332,139
Fringe Benefit Expense	188,377
Other Expenses	278,291
Depreciation Expense	<u>153,462</u>
TOTAL OPERATING EXPENSES	<u>952,269</u>
OPERATING INCOME (LOSS)	(617,185)
NONOPERATING REVENUES (EXPENSES)	
Interest Earned on Investments	6,747
Interest Expense	-
Tax Levy	-
Restricted Donations/Income	-
Federal Grants	184,919
State Grants	<u>278,894</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>470,560</u>
INCOME BEFORE OPERATING TRANSFERS	(146,625)
TRANSFERS	
Transfers from Other Funds	96,000
Transfers to Other Funds	<u>-</u>
TOTAL TRANSFERS	<u>96,000</u>
NET INCOME (LOSS)	(50,625)
NET ASSETS, BEGINNING OF YEAR	<u>576,479</u>
NET ASSETS, END OF YEAR	<u>\$ 525,854</u>

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 339,869
Cash payments for goods and services	(292,440)
Cash received from penalties and interest on delinquent taxes	-
Cash payments to employees for services/fringe benefits	(520,005)
Cash payments for delinquent tax rolls	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>(472,576)</u>
Cash Flows from Non Capital Financing Activities:	
Transfers from (to) other funds	96,000
Proceeds from county tax levy	-
Operating grants received	<u>371,460</u>
Net Cash Provided (Used) by Non Capital Financing Activities	<u>467,460</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(94,556)
Capital acquisition grants - received in cash	88,509
Principal paid on bonds	-
Interest paid on bonds	-
Proceeds from sale of property and equipment	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,047)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>6,747</u>
Net Cash Provided by Investing Activities	<u>6,747</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,416)
Cash and Cash Equivalents, Beginning of Year	<u>145,528</u>
Cash and Cash Equivalents, End of Year	<u>\$ 141,112</u>

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>ENTERPRISE FUNDS</u>
	<u>TRANSPORTATION</u>
Operating Income (Loss)	\$ (617,185)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	153,462
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	4,785
(Increase) Decrease in Delinquent Taxes Receivable	-
(Increase) Decrease in Inventories	(1,187)
(Increase) Decrease in Prepaid Expenses	1,110
Increase (Decrease) in Accounts Payable	(14,072)
Increase (Decrease) in Accrued Liabilities	511
Deferred Revenues	-
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ <u>(472,576)</u>

See Notes to Financial Statements



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

June 12, 2007

Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2006, which collectively comprise the County of Antrim, Michigan's basic financial statements and have issued my report thereon dated June 12, 2007. I did not audit the financial statements of the Meadow Brook Medical Care Facility, which represent 16.8 percent, 16.7 percent, and 31.8 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Antrim County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Antrim County's internal control over financial reporting. Accordingly, I do not express an opinion of the effectiveness of Antrim County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Antrim County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Antrim County's financial statements that is more than inconsequential will not be prevented or detected by Antrim County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Antrim County's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antrim County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

I noted certain immaterial instances of noncompliance that I have reported to management of Antrim County in a separate letter dated June 12, 2007.

This report is intended solely for the information and use of management, the Board of Commissioners, federal awarding agencies, pass-through entities, and Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Thomas R. Zick, CPA, P.C." in a cursive script.

THOMAS R. ZICK CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANT



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## FINANCIAL AUDIT COMMENTS

June 12, 2007

Antrim County Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

In planning and performing my audit of the financial statements of Antrim County, Michigan, for the year ended December 31, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I feel should be brought to your attention as follows:

### BUDGETS

#### Budgetary Procedures

The Board of Commissioners properly adopted a budget for the General Fund and Special Revenue Funds for the year ended December 31, 2006 in accordance with Public Act 621 of 1978, The Uniform Budgeting and Accounting Act.

Specific sections of Public Act 621 of 1978 follow:

1. Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements the County's actual expenditures and budgeted expenditures for the General Fund and Special Revenue Funds have been shown on a functional basis. As a result, for the year ended December 31, 2006 the County incurred functional expenditures in the General Fund and Special Revenue funds in excess of the amount appropriated as follows:

	Amended Budget	Actual	Variance
General Fund			
Friend of Court	\$ 75,000	\$ 75,334	\$ (334)
Capital Outlay	\$ 230,810	\$ 371,611	\$ (140,801)

	Amended Budget	Actual	Variance
Special Revenue Funds			
Emergency Services Total Grant 2005	\$ 1,000	\$ 1,059	\$ (59)
Park Fund Raiser	\$ -	\$ 1,151	\$ (1,151)
MMRA Camera Grant	\$ -	\$ 5,000	\$ (5,000)
Airport Special Projects	\$ -	\$ 748,237	\$ (748,237)
Housing 03/04 CDBG	\$ 65,500	\$ 142,694	\$ (77,194)
Housing 05/06	\$ 132,000	\$ 135,795	\$ (3,795)
Emergency Services 06 Supplement	\$ -	\$ 21,953	\$ (21,953)
Services For Aged	\$ 1,005,733	\$ 1,008,549	\$ (2,816)

#### Fund Deficits / Cash Deficits –

The County incurred a cash deficit in the following fund:

Governmental: Special Revenue:

Probate Grant \$ (2,213)

The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

Housing 05-06 CDBG \$ (4,167)

Probate Grant \$ (2,767)

Services for Aged \$ (20,522)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2006. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2007 and an appropriate plan will be filed.

#### COMPUTER PROCESSING

The County spends significant amounts for computer processing on an annual basis and at the present time the system operates effectively and your service center is responsive to the needs of your primary user departments.

You are well under way with implementing a long term technology plan for hardware and related needs. During this process it is my opinion the County should complete an overall software and system needs assessment as well. Even today, your system does not permit real time use for your primary accounting records, such as your receipt journals, disbursement journals, and general ledger. Prior year, and even prior months data is not available without using hard copy. Most systems today allow instant access to your data including activity from prior accounting periods. Your needs assessment process should include all present and future users in order to best determine the direction Antrim County will take in this rapidly changing area.

#### FIXED ASSETS

The County had their appraisal/inventory updated and the data has been incorporated into the financial statement. For future periods, the following needs to be done annually:

1. The additions for the year must reconcile to the capital outlay general ledger accounts.
2. A system needs to be devised to require departments to inform the clerk's department of disposals of fixed assets, especially when the item is scrapped.
3. Grant purchases such as those received at the Airport need to be added to this list.
4. Errors have occurred on the appraisal update which must be corrected in future years.

I understand the appraisal firm will be visiting the County to do a complete update during 2007. This would be an excellent time to implement the corrections needed.

### AIRPORT

The Airport was accounted for as a general fund department in 2006. For 2007 the department has been transferred to an enterprise or business activities type fund. This will allow for a complete segregation of the airport activities from other departments and funds, and allow for more accurate reporting.

The grants received by the Airport, many times do not involve the actual receipt of cash in the county records, but instead are paid for by the State on behalf of the county. These grant revenues and expenditures must be recorded in order to properly reflect the Airport activity.

### TAX LEVY

With the State mandated change from a winter collection of County taxes to a summer collection the date when the Board of Commissioners authorizes the millage rate must change. While State Statute still shows October as the date for this approval, waiting until then to approve the summer millage would mean approval would occur after the tax bills are sent out.

I suggest that the summer general fund levy be approved in June and that the other voted levy for Commission on Aging and Meadow Brook still be approved in October for the December levy.

### OTHER

State Statute requires that all invoices be approved by the board or a board committee prior to payment. There are certain bills which can / must be pre-approved and disbursed prior to board meeting dates. These can be put on a pre-approved list. This list should be reviewed periodically to make certain it is current. I understand you made the necessary changes in January of 2007 to comply with this requirement.

The County purchased a number of vehicles for the sheriff's department during 2006 using a lease/purchase arrangement for financing the vehicles. Over the life of the leases more than \$22,000 in interest will be paid. The interest rate on one lease was 6.6% while the other lease had a rate of 7%. This interest rate exceeds by almost 2% the rate your treasurer can invest excess funds.

I suggest that in the future your treasurer could be the financing source and save the County a considerable amount in interest costs.



### ROAD COMMISSION

There were several budgetary line items that were overspent in violation of PA 621. In total the actual expenditures exceeded the budgeted amount by \$134,606.

The inventory detail printouts did not agree to the general ledger totals. While the amounts were minor, the detail totals should agree to the general ledger. It is my experience that this same condition exists at other road commissions using the software you use. You should work with the software vendor to eliminate these out of balance conditions.

State Statute requires all vendor invoices be approved by the board prior to payment except for specific vendors placed on a pre-approved list. The Road should be able to comply with this requirement by making only minor adjustments.

There is not adequate segregation of duties in the accounting area. The individual who posts all journals and the general ledger also prepares checks and related disbursements journals, and also initiates all journal entries.

I recognize that with only two full time individuals working in the accounting area adequate segregation of duties is not only difficult but for all practical purposes impossible. The Board must recognize that all internal controls must be evaluated for cost effectiveness and at this point little can be done to increase the control without a considerable cost increase. The controls, which could be added, would have to be compared with the costs required to obtain those controls. By assigning the bank reconciliation procedures to another employee, considerable strengthening of internal accounting control has already occurred.

I would like to express my appreciation, as well as that of my staff, for the excellent cooperation received while performing the audit. If I can be of any assistance in implementing the above recommendations, please contact me.

This report is intended solely for the use of management, the Board of Commissioners, the Michigan Department of Treasury, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



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